

COUNCIL MEETING

JANUARY 27, 2016

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Mel Rapozo at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, January 27, 2016 at 8:30 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Gary L. Hooser (*present at 9:04 a.m.*)
Honorable Ross Kagawa
Honorable Arryl Kaneshiro
Honorable JoAnn A. Yukimura (*present at 8:56 a.m.*)
Honorable Mel Rapozo

Excused: Honorable KipuKai Kuali'i

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Council Chair,
Councilmember Kuali'i is absent today and Councilmember Hooser will be arriving
at approximately 9:00 a.m.

Council Chair Rapozo: I was just informed that Councilmember
Yukimura will be about fifteen (15) minutes late.

APPROVAL OF AGENDA.

Councilmember Kagawa moved for approval of the agenda as circulated,
seconded by Councilmember Kaneshiro, and carried by a vote of 4:0:3
(*Councilmembers Kuali'i, Hooser, and Yukimura were excused*).

MINUTES of the following meetings of the Council:

December 2, 2015 Council Meeting
December 16, 2015 Public Hearing re: Bill No. 2607 and Bill No. 2608
January 6, 2016 Special Council Meeting

Councilmember Kagawa moved to approve the Minutes as circulated, seconded
by Councilmember Kaneshiro.

Council Chair Rapozo: Discussion? Public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back
to order, and proceeded as follows:

The motion to approve the Minutes as circulated was then put, and carried by
a vote of 4:0:3 (*Councilmembers Kuali'i, Hooser, and Yukimura were excused*).

Ms. Fountain-Tanigawa: The next are interviews for the Fire Commission, Sharron Weber.

Council Chair Rapozo: I understand that will be rescheduled to February 10, 2016 at 8:30 a.m. Apparently, there is a scheduling conflict. Do we need a motion to defer that?

INTERVIEW:

FIRE COMMISSION:

- Sharron Weber – Partial Term ending 12/31/2016

Councilmember Kagawa moved to defer Sharron Weber's interview for the Fire Commission to February 10, 2016 at 8:30 a.m., seconded by Councilmember Kaneshiro, and carried by a vote of 4:0:3 (*Councilmembers Kualii, Hooser, and Yukimura were excused*).

PLANNING COMMISSION:

- Glenda Y. Nogami Streufert (At-Large) – Term ending 12/31/2018

Council Chair Rapozo: We will move Glenda's interview to the Planning Commission to 2:15 p.m. today.

CONSENT CALENDAR:

C 2016-01 Communication (12/07/2015) from the Director of Finance, transmitting for Council information, the Second Quarter Statement of Equipment Purchases for Fiscal Year 2015-2016, pursuant to Section 17 of Ordinance No. B-2015-796, the Operating Budget of the County of Kaua'i for Fiscal Year 2015-2016.

C 2016-18 Communication (12/31/2015) from the Mayor, transmitting for Council consideration and confirmation, Mayoral reappointment of Wallace G. Rezentes, Jr., to the Board of Water Supply – Term ending 12/31/2018.

C 2016-19 Communication (01/04/2016) from the Office of the County Auditor, transmitting for Council information, the Comprehensive Annual Financial Report (CAFR), Single Audit Reports, and Management Advisory Report for the Fiscal Year Ended June 30, 2015.

C 2016-20 Communication (01/11/2016) from the Director of Finance, transmitting for Council information, the Schedule of Fund Balances for the Fiscal Year Ended June 30, 2015.

C 2016-21 Communication (01/12/2016) from the County Attorney, transmitting for Council information, that Quarterly Report on Settled Claims against the County of Kaua'i from October 1, 2015 through December 31, 2015.

C 2016-22 Communication (01/20/2016) from Councilmember Chock and Councilmember Hooser, transmitting for Council consideration, a proposed draft Bill

to amend Chapter 5A, Article 11A of the Kaua'i County Code 1987, as amended, by adding a new Section 5A-11A.3, relating to an Assessment Cap, which implements an Assessment Cap for owner-occupied properties and long term affordable rentals, and would cap any increase or decrease to real property tax assessments in any one year to not more than three percent (3%).

Councilmember Kagawa moved to receive C 2016-01, C 2016-18, C 2016-19, C 2016-20, C 2016-21, and C 2016-22 for the record, seconded by Councilmember Kaneshiro.

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to receive C 2016-01, C 2016-18, C 2016-19, C 2016-20, C 2016-21, and C 2016-22 for the record was then put, and carried by a vote of 4:0:3 (*Councilmembers Kualii, Hooser, and Yukimura were excused*).

COMMUNICATIONS:

C 2016-23 Communication (12/21/2015) from Council Chair Rapozo, requesting the presence of the Office of the County Auditor, the Director of Finance, and representatives from N&K CPAs, Inc., to discuss the Comprehensive Annual Financial Report (CAFR), Single Audit Reports, and Management Advisory Report for the Fiscal Year Ended June 30, 2015: Councilmember Kaneshiro moved to receive C 2016-23 for the record, seconded by Councilmember Chock.

There being no objections, the rules were suspended.

BLAKE S. ISOBE, CPA, Principal, Assurance Services Division: Good morning. I am the Principal in charge of the audit. With me, I have John Bautista, who is a Senior Manager on the engagement, and Chad Naganuma, who is a Manager on the engagement. We will first start off with the three (3) different reports that were issued this year which is the Comprehensive Annual Financial Report (CAFR), which is the financial statements of the County, the Single Audit Report, which is the report on the federal funds expended by the County, and the last one which is a Management Advisory Report, which is some additional findings that we had to share with you. Starting with the CAFR, on page 9, you will see the certificate of achievement in excellence in reporting which was issued by the GFOA (Government Finance Officers Association) on the prior year's CAFR, they review it and make sure that it is accordance with government accounting standards. This is the twenty-second (22nd) consecutive year that the County has received this certificate. The different sections of the CAFR include the introductory section, which is the transmittal from the Department of Finance and the MD&A (Management Discussion and Analysis).

Starting on page 12 is our Independent Auditor's Report. Within the Independent Auditor's Report on page 13, you will notice that this year there is an emphasis of matter. The first emphasis of matter is the implementation of GASB 68 (Governmental Accounting Standards Board) or the recording of the pension liabilities within the County's CAFR. This was a required to be implemented this year and we can discuss it later, it appears in Note 19. There is also a small adjustment that is the second emphasis of matter, and that is also shown in Note 19, we can also

discuss that later. Right above that is our opinion. This is a clean opinion that we issued on the financial statements our unmodified opinion that the County's CAFR is presented fairly. At the end on page 14, we also issue another report and it is going to be included in that Single Audit Report that we can discuss later also.

Moving on to page 27. This is the County's statement of net position. This is like the balance sheet of the County. I wanted to point out here that there is significant change in the statement on that position where it is reporting the net pension liability of the County. This is that GASB 68, therefore if you look in the noncurrent liabilities, there is a net pension liability of the government activities of a hundred forty-eight million dollars (\$148,000,000). Along with that, there is deferred inflows and deferred outflows related to these pensions. The first one on the top under deferred outflows is about nineteen point eight million dollars (\$19,800,000) in deferred outflows. Under deferred inflows, there is twenty-six point nine million dollars (\$26,900,000) there. These items are described in the Notes and when we get to the Notes in our financial statements, we can go over that there. When the Department of Finance recorded this adjustment for the net pension liability, you will see that there is now a significant change in your net position. The net position now, unrestricted is a negative hundred thirty-two million dollars (-\$132,000,000). The total net position for government activities is three hundred twenty-five million dollars (\$325,000,000) which is a decrease from the prior year of hundred fifty million dollars (\$150,000,000), but when we get to the description of recording this net pension liability, you will see why that decrease occurred. On page 28 is the statement of activities. For the statement of activities on the left side, you will see your expenses. Overall, the expenses decreased for governmental activities by about five million dollars (\$5,000,000). On the bottom, you will see your general revenues and you will see that your real property taxes increased in Fiscal Year (FY) 2015 by about thirteen point six million dollars (\$13,600,000). Your other taxes, your public service company tax remained about equal, similar to the prior year, same with your franchise tax, and your fuel tax had about a six hundred thousand dollars (\$600,000) increase. Overall, your total generated revenues and transfers of the hundred and thirty-seven million dollars (\$137,000,000), there is an increase of about seventeen million dollars (\$17,000,000) from the prior year. Your total change in net position for FY 2015 for your government activities is approximately eight million dollars (\$8,000,000).

Council Chair Rapozo: Real quick.

Mr. Isobe: Yes.

Council Chair Rapozo: You are saying that the expenditures for government services and programs went down by about five million dollars (\$5,000,000).

Mr. Isobe: Correct.

Council Chair Rapozo: And in our revenue side, property tax went up...what was the number?

Mr. Isobe: Thirteen point six million dollars (\$13,600,000).

Council Chair Rapozo: What was the other increases?

Mr. Isobe: Your public service company tax decreased...well it was pretty similar, about a hundred and fifty thousand dollars (\$150,000).

Council Chair Rapozo: About the same.

Mr. Isobe: Yes, about the same. Franchise tax, about the same. Your fuel tax increased about six hundred thousand dollars (\$600,000), was four point five million dollars (\$4,500,000) in the prior year and current year, it is five point one million dollars (\$5,100,000). Your grants and contributions in the prior year was about fourteen point six million (\$14,600,000) and in the current year is about sixteen million dollars (\$16,000,000).

Council Chair Rapozo: Okay, so collectively between the reduction of expenditures and the increase of revenues you are saying that the net was positive seventeen million dollars (\$17,000,000).

Mr. Isobe: Correct.

Council Chair Rapozo: Okay. Thank you.

Mr. Isobe: No, I am sorry. Let me correct that. Your revenues increased seventeen million dollars (\$17,000,000).

Council Chair Rapozo: Okay. Thank you.

Mr. Isobe: We have a chart showing the past five (5) years showing your different revenue sources. Your main revenue source are your real property taxes had an increase over the past two (2) years. Your track remained relatively flat, there was a slight increase there and your total revenues have been increasing over the past three (3) years. On the expense side, on your governmental activity's side, the decrease that we talked about, there is some significant decreases mainly highways and streets decreased about two point six million dollars (\$2,600,000). In the prior year, a large expenditure was two point three million dollars (\$2,300,000) in island-wide resurfacing and the current year was minimal. Sanitation, there was a significant decrease there. There was a six point six million dollars (\$6,000,000) decrease in your sanitation expense. Mainly because in the prior year, the landfill liability had increased seven point five million dollars (\$7,500,000) and in the current year there is a decrease in that landfill liability of about one point eight million dollars (\$1,800,000). Public welfare, the expenditures decreased there by about two point seven million dollars (\$2,700,000) and that is mainly the decrease in expenditures on some of your HUD (Department of Housing and Urban Development) programs. The HOME (HOME Investment Partnerships Program) decreased one point six million dollars (\$1,600,000), and Community Development Block Grant Program (CDBG) decreased by about half a million. That is mainly based off of expenditures of those federal grants. Moving on to your Notes to your financial statements. On page 56, there is a new Note that describes this pension thing that came on the books. In the past, the County would recognize the contributions to the Employee Retirement System (ERS) as the current year expense. In the current year, this new GASB 68, which required the recording of the pension liability. That kind of changed that recording of contributions and expense to recording expense. I have this out of order. This slide that we have up is in relation to your Employer-Union Health Benefits Trust Fund expenditures. This is another large expenditure of the County and as you can see, it has been decreasing and I guess one thing we wanted to point

out is that the County has funded a hundred percent (100%) of that annual required contribution or the ARC.

This is one big thing that occurred this year and this is the implementation of GASB 68. If you look on page 99 – 100, Note 19 notes that the County changed the accounting principle for accounting for the pensions. On page 100, it shows that effect of the prior period adjustment that was recorded for recording this net pension liability. Under the governmental activities to record, this net pension liability at the beginning of FY 2015, there was a hundred and seventy-five million nine hundred seventy-seven thousand dollars (\$175,977,000) adjustment to get the beginning balance of the net pension liability on the books of the County. On the business, activities there was another five point four million dollars (\$5,400,000) that was recorded there, approximately a total of a hundred eighty million dollars (\$180,000,000) adjustment.

Council Chair Rapozo: Can you explain that for us, non-accountants?
I do not understand one word you said.

Mr. Isobe: Okay. In essence, the County participates in the State's Employee Retirement System and as you folks are all aware the pension fund is not fully funded. There is a liability out there for all government employees that participate in this plan and there is still a large amount of planned assets that can be used to fund this pension. There is an actuary out there that does a computation of years of service and what people have already earned and they projected out this liability for all eligible employees. The difference between the large liability and the planned assets become this net pension liability, which based on your current year contributions to ERS, they allocate that liability to the different Counties, the State, and the University of Hawai'i, and whoever else is participating employers. You folks share of I believe the full liability is about eight billion dollars (\$8,000,000,000) is about a hundred and fifty-three million dollars (\$153,000,000) – that is your unfunded portion of that liability.

Council Chair Rapozo: The change to GASB 68 is what is requiring this adjustment?

Mr. Isobe: Correct, therefore, what GASB 68 allowed the County to do was to pick up this liability at the beginning of FY 2015. When you are looking at the opening that is in this Note, to record that beginning liability, we had to host this hundred...well the Finance Department posted this prior period adjustment to record both the liability and there is these deferred inflows and outflows that I can discuss and show you in the Note that were related to these pensions. If you look on page 83...

Council Chair Rapozo: I guess the simple question is, this one hundred seventy-five point nine million dollars (\$175,900,000) that we are seeing as an adjustment, is an adjustment from the prior year? Is that what this is here?

Mr. Isobe: Correct. If the County were to have eliminated recording the pension liability on the books from day one, it would have slowly have been coming on the books up to June 30, 2014 where that number would have been a hundred and seventy-five billion dollars (\$175,000,000,000).

Council Chair Rapozo: Okay, I think I got it. So, this brings us up to where we would have been if we had used that number every year.

Mr. Isobe: Correct.

Council Chair Rapozo: That, I understand.

Mr. Isobe: On page 83, this is a portion of where we are talking about these deferred inflows and outflows. Going forward from FY 2015 and future, there will be recording some of these deferred inflows and outflows. These are items that are related to the recording of the pensions that will be amortized depending on these types of differences, it will be amortized over either five (5) or five point seven (5.7) years as determined by the actuary. Some of these things...the difference between the actual return on the investments that year the ERS gets and the estimated return that they have, those things are amortized to smooth out the recognition of these gains and losses that they incur on these investments. Changes and proportions is just changes between your allocated share of the net pension liability based on your allocated proportion. Right now the County's proportion is about one point nine, one, three of the whole liability that the ERS has. Any questions on the pensions? Okay.

Councilmember Kagawa: I do not know if we were planning to wait until the end of the presentation. I am just trying to understand that journal entry adjustment that we did to record the net pension liability. Is there a page that shows that journal entry?

Mr. Isobe: The actual entry, no. It will not show the entry, but...

Councilmember Kagawa: We credited the net pension liability, so where did we debit?

Mr. Isobe: The large debit is going to be to your net position that is the prior period.

Councilmember Kagawa: Okay. It goes to the net position.

Mr. Isobe: Correct, the unrestricted.

Councilmember Kagawa: Okay. That is the major portion.

Mr. Isobe: The portion of the debit goes to your deferred outflows of resources and the portion of the credits goes to your deferred inflow of resources.

Councilmember Kagawa: Okay. I got it. Thank you. I just thought that it was such a significant change in our financial statement asset and liability; therefore, I was just wondering what was the adjustment that was made. I am looking at page 83, it showed the County contributions that we make, but then I did not see the journal entries. I get it now. Thank you.

Mr. Isobe: I forgot to also mention it on page 100, there was a small restatement for about two hundred and twenty-four thousand dollars (\$224,000) to record the share of liabilities that should have been recorded in the enterprise funds or your business funds. In your business-type activities column,

cumulative effect of accruing claims and judgements in enterprise funds was two hundred twenty-four thousand dollars (\$224,000).

Council Chair Rapozo: Okay. Thank you.

Mr. Isobe: Another large liability of the County is your landfill liability and we just wanted to point out the recent growth in that liability from 2012 to 2015, it went from about nineteen point eight million dollars (\$19,800,000) to about thirty-four point three million dollars (\$34,300,000). If you noticed the decrease in your...the percentage on the right is the capacity of the use. It went from ninety-five percent (95%) to all the way down to eighty-four (84) in FY 2015, mainly due to the completion of the Cell II lateral expansion in 2014. That is all we had on the CAFR itself. If there is any questions before we move on to the Single Audit Report.

Council Chair Rapozo: Any questions, Members, on the CAFR?

Councilmember Kagawa: What does that deferred outflows of resources related to pension mean? It is recorded as an asset for twenty million three twenty, five, eighty-three. Can you explain that in layman's terms as to what that mean?

Mr. Isobe: This was GASB that was implemented a few years back and what they pulled out of assets and liabilities is these things called deferred inflows and deferred outflows. For the pensions, the largest portion of that deferred outflow of resources is kind of a timing difference between the net pension liability is actually as of June 30, 2014, which is allowed by GASB. The contributions that were made in FY 2015 to the ERS was approximately nineteen million dollars (\$19,000,000). That nineteen million dollars (\$19,000,000) is pulled out of your expense and it is put on to the balance sheet as a deferred outflow. That will then offset FY 2016 pension expense. A large portion of it is shown on page 83. It breaks down the different components of the deferred outflows and inflows related to the pension plan.

Councilmember Kagawa: So, it is like a timing difference basically of moneys that are in to pay for next year's liability.

Mr. Isobe: Correct.

Councilmember Kagawa: Thank you.

Council Chair Rapozo: Thank you. Any other questions on the CAFR? If not, we can move to the Single Audit Report.

(Councilmember Yukimura was noted as present.)

Mr. Isobe: Page 6 is our report on internal control of our financial reporting and on compliance and other matters. This is a required report to be issued when we do audits under government auditing standards. On the bottom on page 6, is a report on Internal Control over Financial Reporting. We continue on to page 7. We note that we did not identify any deficiencies internal control that we determined to be material weaknesses, but we do note finding number 2015-001 that we consider a significant deficiency and we will cover that when we get to the findings. In the middle of page 7, we also note that we did have a management advisory report issued and a separate letter, we will cover that one later too. Moving

on to pages 9 – 11, this is our report on compliance for each federal major program and internal control over compliance. This report is also required to be issued any time you folks expend federal moneys. On page 10 is our opinion on our audit of each major federal program. Here we state in our opinion the County complied in all material respects to the compliance requirements for these federal programs, meanings that we have no findings on your federal programs. Below that is a report on Internal Control over Compliance. We note here that we did not identify any significant deficiencies over compliance. Lastly on page 11, is a report on the Schedule of Expenditures of Federal Awards (SEFA). We state here that the Schedule of Expenditures of Federal Awards is fairly stated or a clean opinion there. Pages 12 – 26, this is that Schedule of Expenditures of Federal Awards and lists down all the federal grants that the County has and the expenditures incurred in the current year along with (inaudible) and the remaining grant balance. On page 26, the total Federal Expenditure for FY 2015 was approximately twenty-five point five million dollars (\$25,500,000). This is pretty comparable to the prior year. In the prior year, you folks expended twenty four point seven million dollars (\$24,700,000) in Federal expenditures. On page 30, this is a summary of the Audit results. Here on the top, the financial statements, type of auditor's report issued is an unmodified opinion or a clean opinion. We do note that there were no material weakness, however, there is one (1) significant deficiency and we noted no noncompliance material to the financial statements. Under the federal award section, we noted no material weakness, no significant deficiencies and issued an unmodified opinion on compliance. There is also no other findings that needed to be reported. We also lists the three (3) federal major program that were audited this year, which is the Community Development Block Grant (CDBG), Section 8, Housing Choice Vouchers, and the Highway Planning and Construction grant. The next thing is just the threshold that they used to distinguish between the types of major programs and we also note that the auditee qualified as a low-risk auditee.

I listed the differences between the different types of finding, material weakness, a significant deficiency, and other reportable findings. Material weakness, I guess, is the worse type of finding or worse type of instance, therefore that is a deficiency that we are saying would not prevent or detect material misstatement in the financial statement and the significant deficiency is just less secure, but it is important to note and report to you. Other reportable findings are just other instances that noncompliance that we are required to report based on Circular A-133 or the compliance supplement.

Moving on the findings on page 31. Finding No. 2015-001, Compile Vacation and Sick Leave Records Properly. This is the significant deficiency that was noted in the report. This is a repeat finding from the prior year and I think we have discussed this a lot as it relates to it being a manual process to put together the records. We do want to note that there was a significant improvement from the prior year. As you folks note that we performed the audit between August and late-November/December, we turn in these reports to you folks by the end of the year, but when they implemented the corrective action, subsequent to then, we did not find any findings after we submitted the FY 2014 report. We just wanted to make sure we noted that part in the finding or to you folks. Any question on the finding?

Council Chair Rapozo: I know this was a finding last year and I believe it was a finding the year before and the year before, and the year before, and the year before.

Mr. Isobe:

Correct.

Council Chair Rapozo: Yes, we had a lot of discussion on this and yes, we maybe see some significant improvement, but I guess we will have the administration up later to talk about it. These are just random samples. It looks like you did forty (40) samples total.

Mr. Isobe: Correct.

Council Chair Rapozo: You found deficiencies or the problems in eight (8) of them?

Mr. Isobe: Correct.

Council Chair Rapozo: We can address it with the Administration because that is a recurring...one that I think is not that difficult to fix. It is just my humble opinion.

Councilmember Yukimura: Good morning. My apologies for being late. What do you see as the solution? Is it a matter of just all the department people who are doing this kind of bookkeeping, if you will, being more accurate and committed or is it a system problem which I think there is effort in progress to change the system to a more...with the proper programing and coordination of our information technology system, right. I do not know where we are on that, but I know that there have been significant progress in that and I know that it was a multi-year effort so I guess we will ask the Administration to come up and tell us that. If that is the case, do you see that as a solution that will clear things up?

Mr. Isobe: Correct. I believe the Administration has made progress in implementing and using the computer to take the manual process out of it. We had some discussions with them as making sure that proper controls are in place to insure that when it does shift to a more automated process to also have the right controls to reconcile and match up records and periodically do internal checks on these records to me, to make sure that the integrity of the data that is being maintained is correct so that when we come up to the do the audit this coming year, we do not have any problems.

Councilmember Yukimura: Are you saying that how the transfer is done from the manual system to the computerized system will be important to you folks being able to properly trace back or document, is that what you are saying?

Mr. Isobe: Correct. Anytime you switch systems you want to make sure that the former records and the current records balancing together along with you are changing processes from a manual process to a more automated process that controls and processes that were in place in the past obviously need to be modified to fit in your new system.

Councilmember Yukimura: There is this thing about garbage-in/garbage-out so that whatever is input and the processing of the inputting has to have integrity in order for the Information Technology (IT) system to work.

Mr. Isobe: Correct.

Council Chair Rapozo: Let me just have clarification. All of the situations are identical, as I read. It says, "Vacation or sick leave hours per the

employees leave log were not properly supported by leave application forms.” What does that mean? Was it that there were no leave application forms or the leave application forms were not the same that what was in the employees log? What was the finding? Because I do not care what system, it all starts with a form. That is going to be manual. The employee has to fill out a form manually so regardless of what the computer system we have...I am just trying to figure out what was the finding. Was it that no form was submitted? It is troubling if we are not...it is like déjà vu because we had this discussion last year.

Mr. Isobe: Correct.

JOHN PAUL BAUTISTA, CPA, Senior Manager, Assurance Services Division: Some of the findings were that some forms just were not submitted or it was undocumented leave.

Council Chair Rapozo: Right, so that means there was no supervisor’s signature, which means an employee just took off.

Mr. Bautista: Yes.

Council Chair Rapozo: That is not a computer issue, right? It is a manager issue. I do not care what computer system you have. The solution, as Councilmember Yukimura asked the question, “What is the solution?” It is very simple, you suspend the supervisor. If you are just allowing people to just take off when they want and there is no documentation, somebody has to be held accountable. It is not the computer. I just wanted to understand that...a couple of them were “no forms,” or undocumented leave. What were the others?

Mr. Bautista: Some of them were clerical errors on the manual record.

Council Chair Rapozo: Meaning?

Mr. Bautista: You have hours on the absence form, but it would not translate on to the actual summary leave.

Council Chair Rapozo: That is not a computer problem. Okay.

Councilmember Yukimura: Can you provide information about which ones did not have the proper documentation of the eight (8)? You do not have to do it now, but I would like it submitted to us.

Mr. Isobe: Okay.

Councilmember Yukimura: So, those were the basic two (2) reasons?

Mr. Isobe: Yes.

Councilmember Yukimura: That covered the eight (8). Okay, thank you.

Councilmember Chock: Just to get a little bit further into it. My understanding is that it is not a computer problem, but it is a standardization problem meaning we are having different departments operate under different

systems that does not have continuity so that we can effectively manage this properly, is that correct.

Mr. Isobe: Correct, but the use of the forms are standard. It is a standard form that should be filed for use of vacation and sick.

Councilmember Chock: So when you say here that the County should implement a standardized process to schedule to track employees leave hours, what do you mean by that?

Mr. Isobe: That is where the different departments use different methods to maintain the data.

Councilmember Chock: Can you speak to the methods? That is what I am unclear about.

CHAD NAGANUMA, CPA, Manager/Recruiter, Assurance Services Division:
Each department could use the same leave applications, but each department has their own way of tracking over the course of the year or during their employment what they have used or what they have earned. Each process in each department will do it a little differently. Now, there are controls in each one and some maybe better than others, but they do everything they are supposed to do, but each one is a little different.

Councilmember Chock: Is it your recommendation that it could be standardized and can be improved upon to build continuity?

Mr. Naganuma: I think that would help and some of these departments have started doing what other ones have, to make it more standard. There has been improvement.

Councilmember Yukimura: Do we have an example of what the best practice is? Especially since we are moving towards a more computerized system, best practices in the framework of a computerized system.

Mr. Isobe: Each will be unique based on different situations. For the system you folks are using versus other Counties or the State, itself; best practices, there are probably multiple things that could be written up as it relates to the procedures and processes. Things that could be done to insure that the controls in place are solid and will catch errors and will catch some of these findings that we had in the past. There is preventive and detective controls to insure that these forms are always filed or double checking that these forms are filed and maintained properly.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: When I was in a department, that was many years ago, before computers were running the County, when an employee...when I was a Sergeant (Sgt) and I had eight (8) folks, when somebody requested to take time off, or they got sick and they filled out the paperwork, every month we had a running balance from the Department of Personnel Services, everyone's overtime and sick leave. It was just a sheet, just a running total; it is not difficult. My job was to make sure, number one, that person had the appropriate hours in the bank to take time off, and number two, if we could allow it because of scheduling. The sheet would come

in, it would be approved by me, and then it went to the next level. Everyone's vacation and sick leave would be deducted every month. I do not know how much more simple you could make it. I do not know, because I do not know individual circumstances and I do not know how many of them are on sick leave or vacation, but it just seems to me, that after these many years, it gets to a point where it is unacceptable and I think we are at that point. How can it be? Some supervisor has to approve the vacation. Without that sheet, one would argue that it is not even approved, the person just took off. "I am not going to work, or turn in the paperwork." Obviously, the hours are deducted, hopefully, but we do not even know. Without proper documentation, how would you even know if someone is taking off or not? There is a big problem, but I think the fix is relatively simple in my mind. We do not need to buy a software program to figure this one out. It is really simple. If it is unapproved leave, then guess what, it becomes leave without pay. That is how you fix it. I guess I should be talking to the Administration and not you folks. Any other questions?

Councilmember Kagawa: I just had a thought, it seems like there is a lot of manual paper work that is put of the problem. I was wondering if perhaps, there was some way to computerize or modernize our system to avoid unnecessary paper that is causing some of these problems. I do not know if some of the other government agencies or private companies that you work with have systems that are less reliant on paper. Can you speak to that?

Mr. Isobe: On the size (number of employees) that you folks have, I mean if you are looking at the State itself, other governmental agencies are all going to have this type of issue. The responsibilities are delegated out to the different departments and agencies to maintain these records. Now the personnel that you do have at the different departments and agencies vary. It may be simple to maintain data and add and subtract and maintain a spreadsheet for accountants or bookkeepers. Council Chair Rapozo's example of having an officer doing it might be different then you giving it to a bookkeeper or an accountant. This is the maintenance of accounting records. Where the importance is placed, could be different.

Councilmember Kagawa: I recall when I used to work for Council Services back in the early-90s, it seems like it is kind of still the same. A lot of paper that needs to be signed off, and then papers begin to pile up and need to be moved. I think with the number of days that government employees have the opportunity to take off and whatnot, it really piles up. I was just thinking of someday, if we could look for a solution like utilizing more computerization and less paper, we could then begin to solve the riddle. It is tough and it still requires paper at some point.

Councilmember Hooser: Good morning. If you already addressed this issue, I apologize, but I did not hear it. With regards to sick leave records and vacation days, is there a record kept of how many were, what I would call, "After the fact request"? So, "Oh, I missed last Friday, so I want to call that a sick day and call that a sick day," as opposed to, "I am out sick today." I assume most requests are made a head of time. You call in sick when you are sick in the morning, but vacation and other types of leave, is there any record showing this?

Mr. Naganuma: It is on a case-by-case basis. They do not track it separately so they have their sheets that they fill out. Maybe there are instances that you are sick and then you come in and fill it out, but that is on a case-by-case basis. I would not say it is compiled.

Councilmember Hooser: Okay. So on Monday, a supervisor says, "We missed you on Friday," and he said, "Oh, I forgot, put me down for a sick or vacation day." Do we know if that happens? If it does, how often does it happen? Is there any way to tell?

Mr. Naganuma: No.

Councilmember Hooser: Okay. Thank you.

Councilmember Kagawa: My knowledge as a teacher, when you want to take a day off of any sort, you need to put it in the computer system. We have a computerized system, logs your absence, day, reason, et cetera. It is really quick online. It is TC's program, I believe. There are some solutions to the instances that Councilmember Hooser just talked about. If we modernized our system, we can follow this and I am hoping that the Administration is listening, and maybe we can cure some of our problems...especially with agencies like Transportation. When a driver takes off, I have talked to management, and they said it is really difficult to try and cover that driver and make sure that that route gets done. That is dealing with a person that calls in sick during early hours of the morning and his drive is in the morning. To scramble and try and find a driver, and then the County loses out because we have to pay overtime, but if we have the computer system, I think everybody finds out much faster and you do not have to rely on the telephone to wake someone up. That could be a solution, especially with the Transportation Agency because we are going to have people at the bus stop waiting to catch a bus. From what I hear, it is really difficult when a lot of people call in sick. I do not know if that could be a recommendation as well. Thank you.

Councilmember Yukimura: Page 33 shows the status of last year, was the same finding partially accomplished? What do you mean by that?

Mr. Isobe: We kind of touched on that when we did the testing for the current year, we tested throughout the year. When we had findings, we reported here in this 2015-001 finding, all of that occurred prior to us actually issuing last year's report. Once we sent out the report and the corrective action plan was put together and implemented, from that point forward, we did not have any issues, meaning that we believe there was some progress made. It does not cover the whole year.

Councilmember Yukimura: So these findings here on page 31, that are the current findings for this year, you are saying they appear to have been committed prior to your findings last year and since then, you did not find any violations.

Mr. Isobe: I believe we cut off from December or January through the end of the FY to June 2015 – that portion of our sample did not include the findings. The findings all occurred during the first half of the year.

Councilmember Yukimura: I see. Okay. In terms of number of instances, was there a decrease from last year to this year? What was the findings from last year and how many?

Mr. Bautista: There were twenty-five (25) instances out of sixty (60).

Councilmember Yukimura: And this year there are five (5)?

Mr. Bautista: Eight (8) instances.

Councilmember Yukimura: Even though these are just samplings, you still conduct the samplings in the same way, so we can make a comparison. Thank you.

Council Chair Rapozo: Last year there was twenty-five (25) out of...

Mr. Bautista: Sixty (60).

Council Chair Rapozo: And this year it is...

Mr. Bautista: Eight (8) out of forty (40).

Councilmember Chock: So in the December sampling, you had zero (0) findings out of all...

Mr. Isobe: Subsequent to December.

Councilmember Chock: Right, how many samplings were there?

Mr. Bautista: That would probably be around ten (10) samples.

Councilmember Hooser: Are there partial days of sick and vacation leave? There are.

Mr. Naganuma: Some people take as short as an hour and submit an application for it.

Councilmember Hooser: And it would be documented...so people can use it as flex-time, almost, for example, "I have to run an errand and take a hour vacation day," or, "I have another job and I am going to take two hours to go to my other job," and use vacation or sick days for that.

Mr. Naganuma: We are not sure how they use it. We just look at the form and see whether it is approved or not.

Councilmember Hooser: Okay. Is there a total of partial days or is it lumped together. If you do a half-day today and a half-day tomorrow, is that considered one-day or two half-days?

Mr. Naganuma: They keep a tally on a summary sheet of all of your applications for time off, and will add to it throughout the month and then they keep it by month.

Councilmember Hooser: Okay. Thank you.

Mr. Isobe: Sorry, he wants to correct something. Actually, this year we did sixty (60) again. The reported findings here, there were two departments that had ten (10) samples each, that did not have any findings. The four (4) reported had these instances reported so there were a total of sixty (60) samples done this year. So, eight (8) out of sixty (60).

Council Chair Rapozo: Thank you. Anything else?

Mr. Isobe: On page 33, we also want to say that the other finding report in the prior year, Finding No. 2014-02, Improve Internal Controls over Financial Agreements, has been cleared and accomplished.

Council Chair Rapozo: Okay. Anything else? If not, next. The Management Advisory Report.

(Councilmember Hooser was noted as present.)

Mr. Isobe: Okay. Starting on page 4, Finding No. 2015-001 in our Management Advisory Report - Improve Internal Controls Over the pCard Purchases. This is a repeat finding from the prior year. The testing noted that there were inconsistencies in the documentation of approval of the use of the pCards. I believe I reported here there are two (2) instances out of the forty (40) where approval was obtained after the purchase was made and then there is also one instance where there was no evidence of the purchase approval before it was made. I know in the past we had more findings on other pCards and this has been a repeat finding. Are there any questions on this?

Councilmember Yukimura: What were the findings last year? Are we seeing any improvement?

Mr. Isobe: We did not bring the information on that one, for the prior year's finding, but the current year, there were two instances that we noted.

Councilmember Yukimura: Okay. Can you submit that later? I guess we can look it up too.

Mr. Isobe: Yes.

Council Chair Rapozo: Any other questions?

Councilmember Yukimura: I just wanted to see if there been any improvements.

Mr. Isobe: Okay, in the prior year there were six (6) instances out of forty (40), and in the current year there are three (3) out of forty (40).

Councilmember Yukimura: Thank you.

Councilmember Kagawa: Do we know where that instance was where the purchase was approved prior to it being made?

Mr. Isobe: By the Department?

Councilmember Kagawa: Yes.

Mr. Isobe: Two of the findings were in the Department of Parks & Recreation and one was in the Department of Public Works, Engineering Division.

Councilmember Kagawa: Thank you. Both my committees.

Council Chair Rapozo: Any other questions? Next.

Mr. Isobe: The second one is 2015-002, Review Treasury Trust Accounts. This is also a repeat finding, I believe, from when we first started doing the audits. We must say that there is improvement and they are working on reducing it, but I guess we continue to report it to you folks to make you aware that there are some funds in here that are old and there needs to be a determination made whether or not it needs to be returned, or the purpose is still warranted. Do you have any questions on this one?

Council Chair Rapozo: Probably not for you folks, but I am sure we will have questions for the Administration. This again, I remember having a lot of discussion on this last year. Any other questions? If not, moving on.

Mr. Isobe: 2015-003, Improve Monitoring of Delinquent Receivable Accounts. This is actually a new finding that we have reported this year and this is related to the landfills receivable balance. There is approximately hundred forty-seven thousand dollars (\$147,000) worth of receivables and it is over ninety (90) days old. A large portion of this balance, ninety-one thousand dollars (\$91,000) is due to one customer. I guess what we are trying to report is that these receivables should be reviewed and investigated on a timely manner. Section 19.21 of the County Charter requires that accounts over ninety (90) days be referred to the County Attorney for collection. We do not believe that has happened, therefore, we are just reporting that.

Council Chair Rapozo: You do not believe that the accounts were turned over to the County Attorney. Is that what you said?

Mr. Isobe: I do not believe there is a process in place. I think when we were looking at these older ones, we had inquire what the process was and I do not believe there is a process to refer these accounts over to the County Attorney.

Council Chair Rapozo: When you say, "These old ones," how old? The one customer, the ninety-one thousand three hundred fifty-nine dollars (\$91,359) – how old is that one?

Mr. Isobe: Over five (5) years old.

Council Chair Rapozo: The ninety-one thousand three hundred fifty-nine dollars (\$91,359) is over five (5) years old.

Mr. Isobe: Correct.

Council Chair Rapozo: We cannot even sue them, and the rest are what?

Mr. Isobe: I guess that is the only one we have the exact details on.

Council Chair Rapozo: But the one hundred forty-seven thousand dollars (\$147,000) is the collection of several?

Mr. Isobe: Correct.

Council Chair Rapozo: We can get that from the Administration. Any other questions?

Councilmember Yukimura: To me this is a significant problem in terms of County funds. I just want to thank you for alerting us to it. You will ask the Administration to address it, but it is a real problem.

Council Chair Rapozo: Anything else? If not, moving on.

Mr. Isobe: The last thing we wanted to cover was the status of the prior comments. Two of them we covered and we are saying that it is partially accomplished and there have been some movement on it. It gets decreased in the number of instances of findings on the pCard purchases and they are working on the treasury trust accounts, so we have those as partially accomplished, but we continue to report them. 2014-003 which is the Internal Controls over Emergency Procurement, we are seeing that has been accomplished. We noted, "None there this year."

Council Chair Rapozo: Any questions?

Mr. Isobe: If no questions, we want to thank the Department of Finance with Ken and his staff there for helping us out through the audit, getting us the information we need, and setting up the meetings that we need. On the federal award side, helping us with the federal awards, getting us set up with the different programs that we needed to – that is a big help in getting the audit done timely. I know this is a little late this year as it relates to the issuance of the CAFR. Usually we are here reporting to you folks in December. We need to apologize for it, but some of it was out of our control. We were waiting for the State – the State conducted the audit of the Employee's Retirement System, which is a big number in the CAFR that we kind of showed. Without that audit being issued, we could not issue our reports. I know there was a lot of coordination on the State side trying to get that issued by October, we hit November and it still was not issued, I believe mid-December, at that point there was no way that we could issue it on time. I apologize, some of it was out of our control and hopefully, this year it is back in December.

Council Chair Rapozo: Thank you. I know you folks are working hard to try to get the State to move and I appreciate that. All the Counties were affected, not just Kaua'i. Thank you. Any further questions before we ask them to sit down? Any discussion before we bring up the Administration? We will start with the Single Audit Reports.

NADINE K. NAKAMURA, Managing Director: Good morning.

JANINE M.Z. RAPOZO, Director of Human Resources: Good morning.

KEN M. SHIMONISHI, Director of Finance: Good morning.

Council Chair Rapozo: Let us start with the Single Audit Report and let us just start with the Finding No. 2015-001, which is the vacation/sick leave. Do

you want to address that? There is corrective action in the Audit Report that addresses the findings. So, if you want to let us know what is going to be done, but this is again, a recurring finding and granted the numbers are less, we are only looking at a sample size of sixty (60). We do not know how rampant it is. One of my questions for all of these findings, for all of the departments is do we do internal audits? Do we do internal checks, random samples throughout the year to make sure that these things are addressed, but as far as 2015-001 – can you give us an overview of what the corrective plan is?

Ms. Rapozo: As the Auditors mentioned after the last audit, last year, we looked into what needed to be done in order to monitor vacation and sick leave within the various departments. The payroll staff in Human Resources (HR) has been conducting internal audits of the various departments and making recommendations as to how to better manage their systems in order to comply with this requirement. The other thing that we do after every payroll is send out a listing to every department based on the system, the Human Resources Information System (HRIS) that also logs all of our vacation and sick leave within the system and have them compare their manual numbers to make sure that they are correct and if necessary, what kind of adjustments need to be made. Sometimes adjustments need to be made because our pay codes do not reflect correctly. We have been working on trying to get those pay codes corrected so that at some point the AS400 system leave records will be accurate and there would be no need for the manual compilation of accrued vacation or sick leave. Aside from that, we have been talking a lot about how to improve the HRIS system and getting a time and attendance program. The contract for that particular software with ExecuTime was signed in December. We are looking at starting with HGEA (Hawai'i Government Employees Association) to move their timesheets as well as their leave requests online. The Fire Department will follow right after HGEA is put into place. All of the different pay codes and different collective bargaining requirements as far as when people get overtime, when people get differentials will need to be put into the system. That is what we are working on with our vendor. That is pretty much how we have tried to manage the system, having a little bit more oversight over the departments. In the past, I think it was totally decentralized for a lot of the departments, to just take care of their own vacation and sick leave, but that will now be changing. We are centralizing, HR already does payroll input for eight or nine departments, and leave accruals was left with the departments. We recently started working on the accruals for the Planning Department and the Office of the Prosecuting Attorney. We are going to see whether or not that is going to work, where we will be the ones doing the accruals for them. If that works, we will continue, and progress that way.

Councilmember Chock: Thank you. It sounds like you are moving in the right direction. I had a question, there was discussion on the "human error" aspect that we have been experiencing. Are there any disciplinary cautions or actions – do we have anything in place in terms of procedures and corrective action that would include some disciplinary action?

Ms. Rapozo: That decision is left up to the Department whether or not they feel the error is recurring to a point where it needs to involve discipline. I am assuming counseling is done at first and then if it continues to occur, then there is definitely need for disciplinary action, but that is left up to each individual department.

Councilmember Chock: Do you know if all the departments have the same procedure that we are speaking about?

Ms. Rapozo: As far as disciplinary procedure?

Councilmember Chock: Yes.

Ms. Rapozo: Each Department has procedures.

Councilmember Chock: Okay. Thank you.

Councilmember Yukimura: Thank you very much for the work. I do see progress and in your explanation, you help us to understand some of the complexities of this. You mention that after every payroll period each department is required to reconcile. What do they reconcile exactly?

Ms. Rapozo: Once payroll is inputted, our central payroll staff in HR provides a report to each department to show them their leave accruals the system. They need to reconcile their manual compilations to make sure that we are sync. Right now, we are in sync with sixteen (16) of the eighteen (18) departments – we are just waiting for those last two departments to be completed. We are trying to move toward the electronic system. We just want to be sure that we do not have any errors with any individual leaves, so we want to get to the point where everyone is in line and every two weeks or every payroll, we are checking that their accruals are continuing to be accurate, and then move forward.

Councilmember Yukimura: When you say “in sync,” you mean the departments are following the process of reconciliation?

Ms. Rapozo: That is correct, with the electronic system, which is how they give out their payroll.

Councilmember Yukimura: That is kind of the monitoring. On page 33, the recommendation from the Auditor’s, ends with the, “County should increase the number of random quality control reviews of leave records.”

Ms. Rapozo: Aside from the reconciliation each payroll, our staff is now going out to the departments to ensure that the leave forms are actually part of that payroll process.

Councilmember Yukimura: Okay.

Ms. Rapozo: Because the departments are holding on to those hard copies of the timesheets and the leave request forms. Part of the monitoring that is being recommended by the Auditors is that our staff do the internal audit before they come in to do the audit to make sure that all of the departments are ensuring that appropriate leave records are correct.

Councilmember Yukimura: Okay. So that is the documentation part with the reasons and everything.

Ms. Rapozo: I think those were part of the eight instances that were cited is when the Auditors went to the departments to reconcile what was inputted into the system as well as what was on the timesheet. The appropriate approval for the leave form was not there.

Councilmember Yukimura: And so now, your department is doing that.

Ms. Rapozo: We are monitoring that. Spot-checking similar to what they would be doing, but on an ongoing basis.

Councilmember Yukimura: I see. Okay. Can you explain the problem with pay codes? That sounds like something that has to part of the transition to IT.

Ms. Rapozo: Part of it. One of the problems with pay codes is for example, leave time accruals for some unions it accrues as you go, you can take your leaves as you go. Other unions is where you have the leave earned at the first of the month. The system cannot adjust that way. For example, a UPW member can use their leave, as if they are earning it in this month, they can use it this month versus an HGEA member who will not get those hours until the first of the month. Our system is based on more of the HGEA method. If someone takes leave during this month and they are a UPW member, it will show a negative because the accrual will not come in until the next month and so we have to adjust that. Workers' compensation, when people go on workers' compensation, sometimes the code is still...we have been working on this code for a while and we think we are really close to getting it corrected so that the accrual will be correct. Right now the accrual is showing an "in error," because they get a voucher for their workers' compensation hours, so they are not getting hours for that portion of which they should be.

Councilmember Yukimura: So what you are showing is the complexity that is caused by the number of unions and different collective bargaining agreements that we are operating under.

Ms. Rapozo: Partly that is a big portion.

Councilmember Yukimura: And that has to be also taken into account when you computerize?

Ms. Rapozo: That is correct.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: Any other questions? My question is, in the cases where it is determined that someone took leave without approval or without an approval slip, what happens? Is that person still allowed or paid for that time off or is it converted to leave without pay? Does the County have a policy regarding that? Not so much each department, but does the County have a policy? I believe the County has a policy that says, obviously, you submit your request and you cannot go unless it is approved.

Ms. Rapozo: That would be the norm that if you do not get an approval to take a vacation, you should not be taking it. I think what is allowed is, with most departments is if there is an emergency and you need to take vacation that day, you can call into your supervisor. And I think those are some the times when the leave form do not follow, but the supervisor may have given verbal approval. The other situation is on sick leaves, when they come back from sick leave, the union contracts dictate when they have to submit that sick leave form by. There was one situation in one union where you do not have to call in necessary sick until it is practical for you. There is different rules that need to be followed in different collective bargaining agreements, so supervisors just have to watch that.

Council Chair Rapozo: So the union contract dictates when they can submit a sick leave form.

Ms. Rapozo: Certain ones, yes.

Council Chair Rapozo: I can understand when...what was the term you said?

Ms. Rapozo: Emergency.

Council Chair Rapozo: No, no. You said, "One of the union's say you can turn in a paper when it is practical."

Ms. Rapozo: Oh, they can call in sick even. If they are scheduled to work, let say today, and they do not call in sick, you would think that should be an automatic leave without pay, unauthorized, but one union has a stipulation in their contract that say, "as soon as practical, they can call in." Therefore, they can call in after they start...

Council Chair Rapozo: In other words, if you are in an ambulance because you got into an accident and you cannot communicate, that is common sense, but how do we interpret that. If the person is home sick and he calls in at 2:00 p.m. and he has been home, he did not go to the doctor, do we accept that?

Ms. Rapozo: That would be something that the department would need to look at and investigate and decide whether or not appropriate discipline would be needed.

Council Chair Rapozo: And then what was the other one as far as the sick leave paper.

Ms. Rapozo: The union will dictate if you are sick, first of all, when you need a doctor's paper and when the leave for application has to be turned in.

Council Chair Rapozo: And when is that?

Ms. Rapozo: I am trying to remember, but I think it is like, at least four (4) days upon your return or something to that effect. I do not have it memorized.

Council Chair Rapozo: And we agreed to that?

Ms. Rapozo: Someone did at some point.

Council Chair Rapozo: So right now it is really the department issue. The department head determines where or not action will be taken as far as leave. Sick leave is a different animal because that stuff happens, but as far as vacation.

Ms. Rapozo: Yes, I think various departments have different rules. For example, in the Police Department, I think they have to submit a year in advance for their leave and I think it is a month at a time.

Council Chair Rapozo: For their annual leave.

Ms. Rapozo: Right, so it all depends and then whether or not you are allowed to take emergency and how that happens. Every department look at their operations to see what would be most feasible for them to...

Council Chair Rapozo: Regardless of what the departments believe and Police of course is different, but nonetheless because even the police officers throughout the year outside of their month vacation that has been assigned to them, there are times that they need to take off for whatever, they have to go on a trip. Everything still requires approval by a supervisor before you stay home. I guess that is where I am having a problem. That should not be a department issue. That should be a County issue, if it is not already one, where if you want to take a day off, you need to get approval before you take off. If you do not then you do not get the vacation pay. I cannot imagine the union contract allows absence without leave (AWOL), because that is what it is. I am not saying for us to suspend them or fire them, but they should not be paid for that. If they did not get approval prior to taking off, they should not be paid for that. They get marked AWOL and they get leave without pay. Is that happening is my question.

Ms. Rapozo: I would hope that is what is happening at all the departments. The leave forms that were not there, I know a lot of times employees are calling into their supervisors and they are getting the verbal approval, therefore they are getting approval. They are at home, it is an emergency, therefore they are not coming in that day to fill out the form. Then it is just an oversight that they do not fill out the form. That is where there needs to be more oversight with the payroll inputter as well as the supervisor when they return and tell them, "Hey, you need to fill out your form."

Council Chair Rapozo: That is what my earlier comment about the supervisor should be the one suspended and not the worker. At the end of the month, how does a supervisor reconcile his month of hours? Are they not doing it? I am having a hard time with that.

Ms. Rapozo: I agree. They are signing off on the timesheet that this is accurate so it should have the appropriate leave form attached if the timesheet is showing sick leave or vacation, there should be that leave form because they are signing off that it is accurate.

Councilmember Yukimura: This kind of scrutiny should discourage that kind of behavior and the system checks that you are putting in now and then if it still continues, that means that discipline is not working properly. HR is involved with collective bargaining, right?

Ms. Rapozo: Correct.

Councilmember Yukimura: In these union agreement provisions that seem to be highly unworkable for the administration and operation, is the administration putting that on the table at the time of collective bargaining?

Ms. Rapozo: There are certain non-cost items similar to that that are looked at as we pass different agreements across the table. Aside from just cost items, those types of things are looked at. It is something that...sometimes becomes a bargaining chip if you are looking at using that for the cost item in

comparison to the cost items, but at the end of the day a lot of times the non-cost items become cost items because of what you face.

Councilmember Yukimura: Right.

Ms. Rapozo: It is definitely looked at and unfortunately, it is a real uphill battle once it is in a contract to take something out, but we continue to try statewide with all the jurisdictions as well as the State.

Councilmember Yukimura: I think the union members too would have a stake in appropriate functioning...because they are affected when people take leave or call in very late or with time for management to make adjustments. It seems like there could be some mutual benefit. I am guessing for our Managing Director, it seems like this might be a matter for the Council of Mayors to look at because having a unified voice could really make a difference and bringing about some changes that might be better for everyone. Thank you.

Councilmember Chock: This might be a question for the Auditors. Do we know what the financial liability is for the scenario of challenge that we face? I am sure there are indirect cost that were mentioned like overtime and so forth. Have we gathered what that looks like? What does it cost us for this inefficiency? What is the financial challenge or impact?

Mr. Shimonishi: Councilmember Chock, I am not sure we understand your question. Are you saying, what is it going to cost in order to implement the system or are we losing...

Councilmember Chock: What is it currently cost when there is a mistake that occurs and do we have a handle on what it is costing us across the system? I know that we are taking samplings of these inefficiencies, but do we have a handle on what it is that how it is truly impacting us financially?

Mr. Shimonishi: I think at this point we recognize or we understand that the situation will be the timesheets, we believe, are correct in what is being paid out. It is just the supporting approval document was not there to support that day of leave. That is the scenario that we believe is happening.

Councilmember Chock: So you do not believe there is a financial implication?

Mr. Shimonishi: I do not believe it is a huge financial situation where people are getting paid regular hours straight time when they are taking days off in fact of vacation or sick leaves.

Councilmember Chock: Okay. Thank you.

Council Chair Rapozo: I would argue that if that person is off without approval, then we did pay him to stay home and he should have been working and there is a financial impact. I would hope that the eight cases here along with your internal findings that you folks internally track these things down and determine whether or not if there is a problem with people taking off because they feel like they do not feel like coming into work and showing up and saying, "By the way boss, I never come in and I need vacation for last week Thursday." I am hoping that that is not what is happening, but until we go into each case and look, and the sampling is

just a sampling. You could do the same test next month and find out six (6) out of ten (10), we do not know because we did such a small sampling. I just want to make sure that we look at the ones that we did find and determine where was the breakdown, what happened, and then we can at least start to try to fix it because we are going to speculate what happened, but we do not know until we talk to the employee and talk to the boss and ask what happened. There could be a ton of scenarios that could create this, but we should know. If the supervisor is allowing this practice, they need to stop, and if they are allowing a verbal...and emergencies are different. I am not talking about an emergency. I am talking about a normal day and you feel like not coming into work, call the boss and say, "I do not feel like coming today. I am going to take off," and the boss says, "Yes, sure," and then oops, forgot to turn in the paper. That is a problem. To me, that is a major problem. I would hope that we identify where the breakdowns were and that way we can at least start to get this thing fixed by policy. It should be countywide. I do not see how one department should be treated any different than the next. If you are a County employee and want to take County vacation, you follow County policy.

Councilmember Kaneshiro: Is it just a lack of looking at the timesheet and making sure that approval is attached to it? It seems like they are recording the vacation or sick leave, because that is how you know they are taking those leaves, but just the supporting document is not attached. I do not know if they would catch it if you had the supporting document and the hours do not say they have the sick leave. I am just trying to understand. Is it a matter of people not looking at the paperwork and before submitting it, wherever that goes, saying, "I do not have the supporting document to this."

Ms. Rapozo: That is what I believe is occurring. I would defer to the Auditors as far as their finding, but I think like what Council Chair Rapozo said, it would be now looking, going back and seeing really what was the reason for the finding. Was it just that there was a lax in making sure that that particular document was attached or was it that there was a discrepancy between the timesheet and leave record, or with the system and the timesheet? That would be something that we need to follow-up with the findings that we have.

Councilmember Kagawa: I am going to come at this from a positive standpoint. I think this finding has showed up many years and as of last year's test we had twenty-five (25) out of sixty (60) with something missing. Not to say that we were losing money or there was fraud involved, but we are not sure. We reduced that number from twenty-five (25) out of sixty (60) with a problem on it to eight (8) out of sixty (60) with a problem on it. Obviously, a test was done and it showed that there were significant improvements, so I am wondering what measures did we finally take last year that got this improvement? Something happened. I am thinking that you get that kind of percentage increase from doing nothing, so I am wondering what happened so that we got fifty-two (52) out of sixty (60) to submit everything properly with all the necessary signatures. Did we have intensive meetings saying, "This has showed up as an audit finding and it is embarrassing. We need to get a handle of it."

Ms. Nakamura: One of the things that we did do this year is, we made sure that when we receive some of the preliminary findings, we sat down with the department heads involved so that they were aware of the information. One of the problems that we had last year was that, you may recall, there was not adequate information and that is why the Auditor made a finding. I wanted to make sure this year that that was not going to be an excuse. That we have the information in the department that it is presented to the Auditors before anything is finalized so

we did do a preliminary meeting to make sure all the department heads with the finding were in the room and that they reached out in payroll and some of the other findings we will be talking about later, just so that they were aware and followed up with the specific individuals involved so that they could follow-up and do the necessary appropriate personnel actions. All of the things that HR has done, there is a Human Resources Information System Task Force that is a combination: Janine and Brandon Raines, our IT Director, are co-chairing that effort. As Janine has said, sixteen (16) out of eighteen (18) departments have pretty much reconciled. There was a real disparity between our paper records and if we were going to put it into an IT software system, we need to have good data to transfer over so they made a lot of progress. Thankfully, the Council assisted with the position to help with this effort in the transfer of description of an existing position so that person could then help with this effort. I really have to hand it to the HR Department because they are really trying to get the data in place so that when we do the transfer over with this new software system that it is good data being inputted.

Councilmember Kagawa: Thank you for whatever has happened in the past year because I feel like...I saw that finding for two years, previously, this is my third year, but I feel like as I saw last year's numbers of twenty-five (25) out of sixty (60), I felt like we gave the impression to the public that, hey, it happens, we are a large organization with a lot of transactions and it is not a big deal. Finally, we said, "No, this is a big deal." We need to do things the right way and that is why I see the improvements, but I hope that we are not going to stop. Let us take the Vince Lombardi attitude and say that we always can do a lot better. There is a lot of improvement for eight (8) out of sixty (60). Thank you.

Councilmember Hooser: We talked earlier about the sick days and the vacation days. Does the Human Resources or the County have a process? Do we keep track of who has outside employment? Is that part of the record so we know who is working other jobs?

Ms. Rapozo: All new employees are required to fill out an outside employment form, if they are employed elsewhere. More for ethics reasons, if there is any kind of conflict with their current County job with their outside County job.

Councilmember Hooser: I do not begrudge anyone working two jobs, many if not most of the people do that, so that is not criticizing. It is just whether there are conflicts in traditional or ethical conflicts, or whether there are competing conflicts. I get calls and we all talk to people in the community and sometimes they will say, "How did so-and-so get this job when they are supposed to be working for the County." I do not know if they are calling in sick and/or on vacation and then going to their second job. Is it within the rules to call in sick and go to another job?

Ms. Rapozo: No.

Councilmember Hooser: So, if they use a sick day, they are supposed to be ill.

Ms. Rapozo: They should be unable to perform their duties.

Councilmember Hooser: If it is found that they use a sick day and go to another job, what would happen to them?

Ms. Rapozo: I can only speak from experience when I was at the Transportation Agency, they would get called in and we would charge them with an unauthorized leave day and disciplined.

Councilmember Hooser: Okay. Thank you.

Council Chair Rapozo: Anyone else? If not, let us move on to the Management Advisory Report. We can start with 2015-001 which is the Improving the Internal Controls Over pCard Purchases. We can start with the Administration and like the other ones; there is a corrective action plan that is on page 11.

Ms. Nakamura: We will start by saying that FY 2013, we had a million dollars (\$1,000,000) of pCard transactions with fourteen (14) findings. That was the first year the pCard was implemented. In the first year, there were over four thousand (4,000) transactions. In the next year, over seven thousand (7,000) transactions were made and one point seven million dollars (\$1,700,000) were made, and there were six (6) findings. We went from fourteen (14) to six (6). The past year, over eight thousand (8,000) transactions were made, and this is doubled from the original year, with over two point two million dollars (\$2,200,000) worth of transactions and there were three (3) findings. I think we have to recognize that it is still not a perfect system, but we are making tremendous progress and we have doubled the number of transactions using pCards and the dollar amounts as well.

Council Chair Rapozo: Thank you for that.

Ms. Nakamura: But we do recognize that there is room for improvement and the audit finding identified two instances, as the Auditor said, where an approval where obtained after purchase was made. One where there was not an approval before the purchase and again in our earlier meeting with the Department Heads involved, we did discuss these concerns, made them aware, and discussion where held with the employees who caused the infractions. Appropriate personnel actions were taken.

Council Chair Rapozo: Yes, I obviously did not ask any questions when this one came up with the Auditors because I think when you deal with that many transactions, there is going to be that window that things are going to happen like this. I think three (3) out of...how many transactions?

ERNEST BARREIRA, Assistant Chief Procurement Officer/Budget Chief: In this year, it was eight thousand five hundred thirty (8,530) transactions.

Council Chair Rapozo: I mean three (3) situations...and I am sure there are more. I assume that personnel action was taken and the employees understood that they cannot do it and we are moving on. Obviously, we would all like to see zero, but that is not going to happen in the real world.

Ms. Nakamura: We are working toward it.

Council Chair Rapozo: Any questions relating to the pCard?

Councilmember Yukimura: The performance is very significant and commendable. I would like to ask if you would submit the statistics that you just

gave us in writing. I think you should also submit it to The Garden Island because this is government in action. It is very positive action. Thank you very much.

Councilmember Chock: Can you highlight some of the things that you folks have done to become more efficient? I think that is important to know.

Mr. Barreira: In terms of the pCard, Councilmember Chock?

Councilmember Chock: Yes.

Mr. Barreira: One of the things we implemented after the initial guidance provided, back in FY 2012, we had a pilot program. The pCard program is a bifurcated program in that we had the actual financial aspect of the program, which is managed by the Department of Finance – Accounting, and the very excellent work that they are doing in managing the Center (inaudible) Application, which is the First Hawaiian Bank software that is associated with the pCard program. Then there is a procurement side of the house to make sure that people closely adhere to the procurement responsibilities involved in the procurement of goods and services. Our procurement for pCard related purchases are strictly small purchases. The total invoice cannot meet or exceed fifteen hundred dollars (\$1,500). It must be under fifteen hundred dollars (\$1,500). We conducted comprehensive training initially back in FY 2014 after the initial findings. We have done ongoing training with all departmental personnel who are assigned the use of a pCard. We have trained both Department Heads, Deputy Department Heads, Fiscal Officers, and the pCard holders themselves. We also have a very simplistic PowerPoint training document on our Division of Purchasing (inaudible) portal, which people can access routinely if they would like to get a refresher on the critical elements of use of a pCard in terms of procurement.

Councilmember Chock: Have we restricted or tightened the access or use? We spent more and used it more, but is access shifting in one direction or another. Do we have more access? What is the number of people using the pCard?

Mr. Barreira: If you look at the transaction Councilmember Chock, you will see that if it were not for those eight thousand (8,000) transactions, we would then have eight thousand (8,000) purchase orders. The fact that the eight thousand (8,000) transactions have occurred via the use of the pCard, it tells you that that has increased and we reduced the much more costly purchase order system proportionately.

Councilmember Chock: Okay. Thank you.

Councilmember Kagawa: What are the typical-type purchases that go on? If there is eight thousand (8,000), divided by three hundred (300), how much is that a day? Twenty (20) or thirty (30) a day. What are the typical of purchases?

Mr. Barreira: It is a wide variety of goods and services. It could even be construction, if it is under fifteen hundred dollars (\$1,500). Eighty-five percent (85%) of our purchases in the County are under five hundred dollars (\$500). The same pattern will exemplify itself through the pCard use, but it could be...for example, the Department of Parks & Recreation violations. These are people in the field having to conduct immediate repairs of facilities that were in need of attention. In speaking with those employees, they call from a procurement perspective, they

were fine. They called in and got approval. The documentation was substantially lacking which constitutes the pCard violation. It is normally goods and services that are very low priced that has to be attended to very timely in order for the service delivery not to be interrupted.

Councilmember Kagawa: Are the big box places like Costco, the only vendors that we go to?

Mr. Barreira: Actually, with the implementation of the pCard, there is much more accessibility for our departments to these larger stores: Kmart, Walmart, who in the past refused to accept purchase orders. The fact that we had the pCard availability now is much more useful. We are getting a bigger bang for our buck.

Councilmember Kagawa: Does it still require a low-bid type?

Mr. Barreira: Yes.

Councilmember Kagawa: I guess that is what my fear was. If we only go with low-bid then that puts our mom and pop hardware stores, et cetera out of the loop. In a way it is sad because it is not a level playing field when you compare having items such as Home Depot compared to a smaller mom and pop store.

Mr. Barreira: Previously Vice Chair, we implemented a procedure under then Finance Director Wally Rezentes, and then again with Steven Hunt later, which allows Departments under the procurement code, which is completely lawful. If the item that you are purchasing is unit priced under a thousand dollars (\$1,000) and if it does not meet or exceed five thousand dollars (\$5,000), you do not have to execute active price quotes as long as you utilize the best value-marketing concept within the community. For example, if you are in Kapa'a or Hanalei and you need to purchase something that is fifty dollars (\$50) and perhaps it is forty-nine dollars (\$49) at a Lihu'e department store, you can purchase it even though it is slightly more expensive because it is under a thousand dollars (\$1,000) and it is best value. When you factor the time and energy needed to transport yourself to pick up the less expensive item, it would not make sense from a best value perspective.

Councilmember Kagawa: Thank you.

Mr. Barreira: In that regard, you are using local vendors.

Councilmember Yukimura: The more that you talk about it, this is a highly successful initiative that I think you initiated, did you not, Ernie?

Mr. Barreira: There were a number of us, but we pushed hard with then Director Rezentes and of course working with the Accounting Division Chief.

Councilmember Yukimura: Prior to the pCard, people had to go through more time consuming and more expensive procurement process to make small purchases under fifteen hundred dollars (\$1,500). This has resulted in a huge savings to the County in terms of money and time, would you not say?

Mr. Barreira: I reported in previous annual reports and in my budget presentations that the National Institute for Government Procurement

identifies every purchase order transaction, cost in general, around the Country, about ninety-one dollars (\$91) to transact when factor in the paper, the time, printing, and all of the intangibles needed. Conversely, a pCard transaction is about seventeen dollars (\$17). When you look at dollars and time, it has been significant.

Councilmember Yukimura: Times eight thousand (8,000) this year.

Mr. Barreira: There is also something that we have not talked about yet which is, we are going to be earning by the end of the last reporting period, about eight thousand dollars (\$80,000) in rebates, which is based on a hundred forty (140) basis points.

Councilmember Yukimura: Eighty thousand dollars (\$80,000) in what?

Mr. Barreira: In rebates. When we utilize the pCard, we get the one point four zero percent credit against that purchase and that is reporting to our Accounting Division every fourth. Right now, it is looking like the numbers are going to be very close to about eighty thousand dollars (\$80,000) projecting based on the current transactions. That is significant where the County is actually making money while using a more efficient system in the process.

Councilmember Yukimura: That is. Thank you very much.

Council Chair Rapozo: Further questions? If not, let us move on to 2015-002, Review Treasury Trust Accounts.

LYLE TABATA, Deputy County Engineer: This account is construction grading bonds that developers or contractors that put whenever they come in to get a grading permit. I believe that we have significantly improved our practice of reviewing projects after terminating and closing out projects and then returning bonds if the contractor has completed the work according to the needs of our County grading ordinance. I understand that we had or started with about thirty-two (32) previous outstanding issues and in the last few years we have been working it down to sixteen (16) outstanding. The dates of these issuances are from the 1980s. The furthest out I have on record is 1986 up to today. Especially since 2012, as construction has increased, we have issued about a little over twenty (20) bonds. As they complete their work, we close out the project and then return the bonds, if completed satisfactorily. Part of the process we take to close some of these bonds like I said going back into 1986, that one was just completed in September of 2015, and we returned the bond funds. The process we go through is we go find the appropriate or current contact for the individual business who posted the original bond therefore we had to do some research. This is often challenging because companies close their doors and people past. It is an intensive process. We send letters out or other correspondence to the contacts who we find and alert them about the attached bond and their obligations to show us in the completion of the grading permit. Some of it because they never came back and say that they completed the process therefore we could not close it. We send letters to confirm that the project has been completed and ask for them to send us proof. We get a response back from this. In getting the response back I have been told has been very challenging. We need to go out and inspect the project as completed or not completed in some cases and then we go and close out the permit, and then we work towards the closeout. Since we have come onboard on 2010 as I noted, we have reviewed this process annually and we have been making very significant progress. As I said, sixteen (16) since 2014.

Council Chair Rapozo:
accurate right now?

The twenty-five (25) that is shown on here is

Mr. Tabata:
that we have closed recently.

I have a report here that shows five (5) more

Council Chair Rapozo:

Okay. So you actively are trying to get...

Mr. Tabata:
backlog from previous to 2012, seventeen (17) were closed.

Yes, we actively tried to communicate. The

Ms. Nakamura:
up on is the discussion with the County Attorney's Office about what to do when we make the attempt to get in touch with the developer or landowner. If there is no response or an unclaimed deposit, what can we do with those funds and can we after five (5) years deposit those into the General Fund. That is a legal issue that we need to follow-up on.

One of the things that we were going to follow-

Council Chair Rapozo:
process of securing the bond. There has to be method to get rid of the bond at some point. If the work was not done, they forfeit the bond and we cash in the bond. If the person lose contact, I am assuming that the contract for the bond would have a remedy, but that is something for the County Attorney folks. We definitely need to put a timetable on it and if they are not responding and we cannot find them, then it should just go to the General Fund.

I would assume that would be part of the

Councilmember Yukimura:

When did this first start?

Mr. Tabata:

I have from 2014.

Councilmember Yukimura:
unclaimed and unreturned deposits from thirty-two (32) to now sixteen (16).

Since 2014, you have reduced the backlog of

Mr. Tabata:

Yes, cut it in half.

Councilmember Yukimura:
bonds from aging.

And you set up a procedure to prevent newer

Mr. Tabata:

Yes.

Councilmember Yukimura:
positive additions to this backlog.

Therefore, we do not anticipate having

Mr. Tabata:

Yes.

Councilmember Yukimura:
down to zero?

Ultimately, your goal would be to reduce it

Mr. Tabata:
projects in process, but for those that have been closed or known to be closed, because there are some that as I mentioned, we do not have evidence the they have been completed. As we try to contact and get to closure, yes, that is when we will.

We will always have some open because

Councilmember Yukimura: These thirty-two (32) includes all deposits that are existing in this account or they consist of ones that are old and unresolved? There are some that you know the projects are ongoing, right, so they are legitimately there. You do not have to worry about them and you have a procedure to monitor them.

Mr. Tabata: Yes.

Councilmember Yukimura: Does the thirty-two (32) include those as well because it does not seem like it should.

Mr. Tabata: I have a line drawn on this chart that I have and the thirty-two (32) is prior to 2012.

Councilmember Yukimura: Yes, so those are sort of the ones that need attention and resolution. There are others that are legitimately there, okay, so it is the thirty-two (32) that is of concern. Okay. So, you want to reduce that so that all you have are those that are current, sort to speak.

Mr. Tabata: Yes.

Councilmember Yukimura: Thank you. That is good work.

Mr. Tabata: In fact, the 1986 one, which is the first on our list, was closed in September 17, 2015.

Councilmember Yukimura: Hip hip hooray.

Council Chair Rapozo: Any other questions? If not, let us move on to 2015-003, Improve Monitoring of Delinquent Receivable Accounts. I guess the only question is; have we made an attempt by sending these accounts to the County Attorney?

Mr. Tabata: We are in the process. As you have been informed this is an outstanding account, which we first tried to collect internally. As we determined that it was going to be an issue and we sent multiple notices, we borrowed this company from depositing or dropping off loads at our County facilities. There is a process of notification and follow-up and so I believe at this point we are in the process preparing a package for the Attorney's Office.

Council Chair Rapozo: I think as far as the older ones where the statute has expired, all we can really do is write it off, right?

MAUNA KEA TRASK, County Attorney: That is correct. For the liability that is outstanding that is old that we cannot collect on, we write those off, but as you know, the main goal for the County Attorney's Office this year was to work with this litigation division idea. We implemented it. It worked really well because one of the things we were able to focus on is putting time and effort into collection cases. Not only the Department of Public Works, but water and sewer fees, as well as other types of collections; Real Property Tax that we are able to get. We are going to put one deputy over the past year on it and they were able to in some form or another, collect via check, judgment, payment plan over a hundred thousand dollars (\$100,000), which was I think the most we ever collected. Not having a strong litigation division in the past, the County did not have the ability. We want to expand that program

this coming fiscal and try to realize and use the County Attorney's Office to go to Court and collect these things. We identified that as a need and we have worked towards it, we have achieved a significant as compared to the past, and we want to expand that.

Council Chair Rapozo: Specifically to this audit, ninety-one thousand three fifty-nine (\$91,359) over five (5) years old. Did that go to your Office at any time?

Mr. Trask: I would not know.

Council Chair Rapozo: It says, "Over five (5) years," so I am not even sure when that debt. Does the Department have a policy that after a hundred and eighty (180) days...

Mr. Tabata: I believe that is the issue. We need to revisit and I cannot answer that question right now. I would need to get back to you.

Council Chair Rapozo: I would suggest that we look at a hundred and eighty (180) days or six (6) months, if they are not responding, then we will send it over to the County Attorney for a formal collection. That way we are not going to run into this problem. That is done already, so we have to write that off because there is no way to sue. It is over five (5) years old. Is the statutes of limitations done?

Mr. Trask: I do not know off-hand, but it very well could be.

Council Chair Rapozo: That is long.

Mr. Trask: I do not want to commit.

Council Chair Rapozo: I am not sure about the other one hundred forty-seven thousand three hundred twenty-one dollars (\$147,321), over ninety (90) days, so we might be able to go to court for that one.

Councilmember Chock: Do we or do we not have a policy or procedure in place to address these delinquencies?

Mr. Tabata: I cannot answer that right now. I need to get back.

Councilmember Chock: Okay. Are there more than what we are looking at in this particular audit that we are discussing?

Mr. Tabata: Not that I am aware of. We had some in the Department of Public Works, Wastewater Division, or we have wherever we collect funds from, but nothing of this value.

Councilmember Chock: We will hear back from you folks at a different time.

Mr. Tabata: Yes.

Councilmember Chock: Thank you.

Councilmember Yukimura: I would like to request a complete report on this delinquent account where there is ninety-one thousand dollars (\$91,000) relating to one (1) company. I would like to see the aging of the overdue accounts. On page 13, under corrective action, it says, "The Solid Waste Division does have a policy regarding delinquent accounts."

Mr. Tabata: I would need to get back. I cannot say that I understand it. I need to revisit it myself.

Councilmember Yukimura: Could you include in your report the results of your investigation in terms of...it says here, "Due to staff storage, certain parts of the policy were not followed." I would like to know what was the cause of the staff shortage and whether management over the landfill was monitoring the staff responsible for this.

Mr. Tabata: Okay.

Council Chair Rapozo: I think the Council would have to approve the writing off of any amounts. I would assume that we would have that discussion when it gets here, but if you can provide whatever you can provide a head of time, that would be appreciated. That was probably before your time. How long have you been here?

Mr. Tabata: 2010.

Council Chair Rapozo: I am not sure how long before...are you familiar with this one?

Mr. Tabata: When we cut the vendor off, yes. We made the call to cut it off and tried to go through the process to collect. At one point in time, we said, "No more."

Council Chair Rapozo: I hate to get into it, but this is all tipping fees?

Mr. Tabata: He was not paying his tipping fees. When you try to help vendors out, they come in with a story for you, and you say, "Okay, make payments as you can," and it just keeps growing into a big balloon. Before you know it, somebody has to be the bad guy to make the call and we did.

Council Chair Rapozo: Okay.

Councilmember Yukimura: How can we say, "Make payments as you can"?

Mr. Tabata: Well...

Council Chair Rapozo: Half of something is better than all of nothing, right.

Mr. Tabata: Yes.

Council Chair Rapozo: I live by that. Sometimes you try to get as much as you can, but I guess I am interested in seeing what happened because there comes a point where if that person owes tipping fees, he should not be allowed to drop.

Mr. Tabata: That is what we did do. We did not believe in the stories anymore.

Council Chair Rapozo: Okay. We need to take a caption break. Do we have much more for these three?

Councilmember Yukimura: Just one more.

Council Chair Rapozo: Okay. Why do we not do that and then take our caption break.

Councilmember Yukimura: The total amount overdue or delinquent is a hundred and forty-seven thousand dollars (\$147,000). The information here says one (1) vendor is responsible for ninety-one thousand dollars (\$91,000), but that leaves fifty-seven thousand dollars (\$57,000) also overdue and we do not want that to turn into this ninety-one thousand dollars (\$91,000). What is being done to prevent smaller delinquencies to accumulate or accrue into larger ones?

Mr. Tabata: I do not have the details of the others. I was only alerted to this one that I have been speaking on.

Councilmember Yukimura: You have a Solid Waste Manager who is in charge of this Division.

Council Chair Rapozo: But I think what he is saying is, he does not believe that it is even part of the Solid Waste Division.

Councilmember Yukimura: Not part of Solid Waste?

Council Chair Rapozo: I do not know. It does not specify which Department.

Councilmember Yukimura: Can the Auditors explain?

Council Chair Rapozo: We can, but we need to take a caption break.

There being no objections, the Council recessed at 10:37 a.m.

The meeting was called back to order at 10:48 a.m., and proceeded as follows:

Mr. Tabata: Councilmember, can I correct myself? During the break I made a few calls and it is even written here, I need to correct my statements by saying that in this particular ninety-one thousand dollar (\$91,000) uncollectable, we notified the client at sixty (60) days and ninety (90) days. After the ninety (90) days, we cut them off completely and the case was referred to the County Attorney's Office. They did go through the collections process and in the end we found out that the company had disbanded the individual; liquidated all his assets, so there was no way to collect anything. The other balance of fifty-seven thousand dollars (\$57,000), we are in the process at some point in time of I believe have already been

cutoff and referred to the County Attorney's Office to assist us in collecting through a legal matter.

Councilmember Yukimura: Thank you. I appreciate that.

Mr. Tabata: I apologize for not getting enough of the pertinent information prior to coming here.

Councilmember Yukimura: Well, I know that you oversee a lot of activities. The Department of Public Works has a lot of divisions. I am thankful for the specific information. It looks like you are following a process or procedure.

Mr. Tabata: Yes.

Councilmember Yukimura: The accumulation of...this was a big customer then that was accumulated over a short period of time, but it had a lot of...

Mr. Tabata: I can get that other details to you. I do not have the details.

Councilmember Yukimura: I am wondering if there are procedural ways to protect the County against this kind of situation where companies dissolve, they go bankrupt or whatever. Are there liens or things that we can do to protect ourselves?

Mr. Tabata: That was a process that the County Attorney's Office did help us with, as explained to me. The final straw was when that person liquidated all of his assets; there was nothing to lien.

Councilmember Yukimura: Can we require bonds of large users of the system that can be invoked? That is a question for the County Attorney, but I guess I would like to request that the Solid Waste Division look into this to see if we can prevent that kind of loss. Thank you.

Mr. Tabata: Noted. Thank you.

Council Chair Rapozo: Lyle, as far as the ninety-one thousand dollars (\$91,000), the notice went out – sixty (60) days delinquent. When was that?

Mr. Tabata: I do not have that timeline. I can send that information back. I have asked for a timeline.

Council Chair Rapozo: Do you know when it went to the County Attorney's Office?

Mr. Tabata: I do not.

Council Chair Rapozo: You do not know when it went to the County Attorney. Is the County Attorney here? Depending on when that was, it may have been too late anyway for the County Attorney to take action. That is my concern. I think as we think about what kind of policies, if the company is not current to their debt to the County after one month, then we should not allow them to create an even bigger debt. Basically, it is pay as you go for them. I think that would prevent a collection issue. Yes, we may lose thirty (30) days worth of revenue, if he chooses, but

even at that point, we still would have ample time to get the civil action in place so we could put a lien on whatever assets he has remaining so that at some point in time we can get something back. If we wait too long than obviously, the civil process is not available to us and I am assuming this person made money. He was not volunteering for the contract because he probably charged them. He charged them such a good rate that he could not pay the tipping fee; therefore, he pocketed that money and just failed to pay the tipping fee. It is two tiered, number one, let us try not to get the debt too high so we have the protections in place and after thirty (30) days if you did not pay your bill, you are not using the landfill – sorry. The second part is, when they do become delinquent, have that time in the policy whether it is ninety (90) days to get it to the County Attorney's Office so that the attorneys can do what they do.

Councilmember Kagawa: I want to have an item in my Committee to see where we go from here with that and if we need to go to Executive Session, I would recommend the Council that we be careful of going into too much detail about this because this could potentially be something that we need to look in to further.

Council Chair Rapozo: Can staff note that? We can make it a general posting as far as the discussion of policy. This is not limited to the Department of Public Works, because we do have the Water Department, Wastewater Division, and other departments that collect. It should be countywide discussion because like the payroll and sick leave policy, it should be Countywide and everybody follow the same policy. We can have that in the Public Works / Parks & Recreation Committee Meeting and if we can set an accompanied Executive Session as well so if anything arises, we can go into Executive Session.

Councilmember Kagawa: Regarding the Water Department, I do not think we have too much of a problem because when you have a large receivable, what we do is we turn the water off.

Council Chair Rapozo: Yes, we shut off the water.

Councilmember Kagawa: But as I recall the sewers, we used to have problems with that and I do not know if now that we intergraded it with the water bill, we now are having better success. We can discuss that further, but in the past, the sewer used to be a problem because you cannot shut off the sewer, right?

Council Chair Rapozo: Yes. If fact, that is still a problem. Again, using that same mentality when the truck comes up and he owes money to the landfill, you basically shut off the landfill. You say, "Sorry, turn this truck around. You are not dumping here," and then you stop the debt from growing. I think that is what we have to do.

Councilmember Yukimura: Before we have this posting in the Public Works / Parks & Recreation Committee, I would like to get a detailed history of this debt, what happened, the timing and the timeframe. I made that request earlier; I just wanted to tie it in so that we get the information before we have the discussion.

Mr. Tabata: Yes.

Council Chair Rapozo: Any other questions regarding 2015-003? If not, thank you. Mauna Kea, I did have one question and it was regarding that last one, I am not sure if you have that information, but Lyle said that they were sent a sixty (60) day notice, they were sent a notice after ninety (90) days delinquency, and

the it was sent to your Office. I do not know if it was your Office, but it was the Office of the County Attorney. He does not know when it was done. Do you have any recollection of this?

Mr. Trask: I cannot tell you individually. I would have to take a look at our intake and records.

Council Chair Rapozo: Okay. Thank you. Anybody in the audience wishing to testify?

MATTHEW BERNABE: Good morning. Lots to digest. I was not actually going to speak today because there are so much to speak on, I did not think six (6) minutes was justice. On the last topic on the refuge and collection of past dues. I like the idea of pre-charging them for big operations, especially if it is a big construction project in a form of having them project what they are going to do and pay 2/3 of the bill upfront. The real thing that pulls my brain out of the thinking box that we are all in is, yes okay, we are going to turn them away at the dump, but where is that load going? If you folks are going to turn them away at the dump, then the next thing I suggest is one County agency follow that truck to wherever they are going. I live in an area that even if they pay their bills or they do not even apply to pay tipping fees, they just dump old paint cans, compressors, the palm-fronds is the number one, the folks with the coconuts do not want to pay that tipping fee because it is commercial activity. I being a trial cutter, a mountain person, I go into a lot of these places, all the way down to the beaches and they are dumping their rubbish other places. Yes, this report shows a lot of stuff and I could have nitpicked on any one of those areas, but I am going to choose this one. If we are going to publicly go on record and talk about turning them away, they better be a next mechanism to track where they are being turned away to. Thank you very much.

Council Chair Rapozo: Thank you.

NORMA DOCTOR SPARKS: Thank you for the opportunity. I wanted to just add a little bit of information in response to the question about what is the liability when there is some questions about vacation leave et cetera. My last position was an Assistant Director at the Los Angeles County's Department of Public and Social Services where I was responsible for fourteen thousand (14,000) employees. At that time, the difficulty that we had was that we identified through a number of different ways that some supervisors were actually giving out employees' time off and that it was perceived as being favoritism by other employees or as sexual harassment by another employee. Therefore, the liability to the County was very big in terms of that kind of behavior. I am suggesting that Kaua'i County of course has those types of issues, but just in response, I think that there are those other issues. What we did do for the fourteen thousand (14,000) employees is we did clarify for all of the employees in addition to the managers and supervisors the actual policies for taking leave. As an example as you mentioned Chair that when vacation and/or sick leave is not available to an employee, that employee was required to take leave of absence. It was a very simple way to really keep track of those things, but I just wanted to share a little bit of the liability issues that we in another County experienced as well.

Council Chair Rapozo: Thank you very much. Anyone else wishing to testify? If not, I will call the meeting back to order.

The meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: I would like to thank the Auditors for presenting the CAFR and for answering our questions. They also helped us to understand the big changes that occurred which was the GASB 68, where our liabilities are now about a hundred and fifty million dollars (\$150,000,000) more than last year because we are including that GASB 68 requirement to report pensions and such in our balance sheet. Also, just for their follow-up and continuous recommendations to try and improve on our leave trial, et cetera, as well as the problem with the receivable collections. I want to thank them for bringing out some of those issues, coming here, and answering questions. I am glad that the Administration has improved over last year on our documentation, recordkeeping, and we need to continue it to improve. I think Norma brought up some great points that even if you have eight (8) out of sixty (60) without proper documentation, what it leads to is that other employees will feel like, "Well, we let these ones go without having the proper authorizations, therefore, why am I getting denied." That is why we need to get these types of approvals, documentation all in order and continue to improve. We did improve a lot, but as I said previously, we just need to continue to improve until there is merely nothing of that sort going on. Whatever can be improved on as far as going to more computerized type system, if that is what we need to do, I would certainly recommend us looking into it. I think the perception from the public is that State and County workers, we have so much leave – we have forty-two (42) a year. Now, if it was a private business, they obviously the owners definitely keep real good track of what is going on because if some errors are occurring, the owners have to pay for it versus when it is dealing with government there tends to be that perception that well because that is taxpayer money, we do not pay that much attention to anything that could be seeing as wrongdoing. I think we definitely need to act like a private business. We are currently struggling financially and as Norma pointed out, there is potential liabilities out there if we let things go without improvement in these areas. Hopefully we can even improve in those numbers next year. I thank the Auditors, County Auditor staff for overseeing our CPAs. I want to thank the Finance Department. Our statements are fairly stated, you folks did a good job again. Let us continue to be prepared for our Auditors and have our files all kept in and also try to improve wherever we can. Continued improvement is what I am searching for.

Councilmember Kaneshiro: I too want to thank the Auditors and also the Administration for all their time. I know it takes a lot of time to provide all those information to the Auditors and get everything together and answer all their questions. I think the promising thing is that all of the audit findings were addressed and they not only prepared a plan, but they also implemented it. I think many times you see that we can plan everything and then if you do not implement it then it does not mean anything. I think seeing that they have the plan and they have implemented it and you can see the results that a lot of the things that were brought up have reduced or they accomplished certain policies and implementing it so that it would not be on the audit findings anymore. I have to commend the Administration for that and just say that I appreciate what you folks are doing, keep up the good work, and yes, keep striving to continually improve and follow through with the plans that you set. Thank you.

Councilmember Chock: I also want to reiterate my appreciation for both the Auditor and our Administration for their attitude of continuous improvement and looking to strive for small winds and work on the system, which appears to me that we are working towards improvement and it is occurring. I wanted to just mention that the CAFR offers us a window of potential red flags or things to look at within our operation that we may need to further investigate. I also

think that we need to look at the messages holistic level. I do believe that everything has a financial impact or a consequence. We have had some discussions here with our landfill operation and questions of sick leave, vacation, and overtime and how they are all related. I think it would behoove us to look at the indirect consequences; miss payment, not being charged, not being charged overtime, abuse, potential options or opportunities for fraud that can lead to lack of morale and lack of competency. Those are things that are intangible to some degree to any organization that need to be taken into consideration. What I would like to see is that discussion continue to move as we have towards what are the root causes. I like the direction of looking at the union agreements and if that is where we need to focus our energy in order to create some of the change necessary to be more efficient, then that is what I would like to focus on. Again, I appreciate all the hard work on this.

Councilmember Yukimura: This morning's presentation and discussion has well demonstrated the value of financial and management audits. The importance of calling our attention to areas that we need to look at, therefore I really want to thank N&K CPAs for a very professional and helpful work. I think the value of these audits has also been seen in the Administration's response, which has also been very professional and responsive. I commend the creation of the pCard system and the monitoring of it and the great progress that we have seen in reducing the number of improper purchases. I also see great progress in the vacation and sick leave reconciliation. To go from forty-two percent (42%) deficiency to a thirteen percent (13%) deficiency in one year is pretty significant. There is still work to be done, but the progress is very encouraging and indicates very conscientious work on the part of the Finance Department, the Managing Director, HR, and all the Departments. This is very positive and I thank you.

Council Chair Rapozo: Anyone else? If not, I will echo the comments. Thank you to the Auditors for the report. Sometimes you have to ask questions because we are not Accountants and those financial statements can be quite intimidating. We are seeing progress as far as the Administration is concerned. Seems like every year it seems like it is getting better and better and we are getting a handle on some of these issues and I appreciate that. I know it takes a lot of time and hard ache, but I appreciate the work on both sides. I did want to address Matt's thing about, "Where the guy going dump the trash if we turn them away," but I do not go McDonalds and buy something from the drive-thru if I do not have money. In fact, you will notice they do not give you the food until you pay. You cannot even cheat. You cannot go up there, get your food, and drive up to the next window and drive off. They used to, but now you pay first and then you get your food. The person will dump his big trailer trash some place, I can almost guarantee that someone will see him. The fact of the matter is that when that happens, it comes out of your pocket, my pocket, everybody's pocket, and now we eat that. It could have been avoided if we had the policy in place and the trucker knows that. The trucker knows that if he pulls up to the scale house and he does not have credit, he is not going to dump his trash. Number one, it is embarrassing that you have to tell him, "You do not have money in your account," therefore, I disagree that he is just going to dump it anywhere. We are not talking about small trucks, Matt; we are talking about the rig that is dropping construction debris or whatever he is carrying. Swindling local contractors that I can toss your trash and then do not pay the County is not right. Councilmember Yukimura touched on the value of the audits. I have been an advocate for many years and although very unsuccessful in getting these things passed over the years, but we see the value when it comes here. We just went through the process of interviewing a bunch of candidates for a County Auditor and it was interesting their view of how Auditor's operate and it is not the, "Eh, I *gotcha* kind of Auditor." It is the, "Let me

be a service to your department. Let me come in and help you through our internal auditing processes that we can help you identify some areas that we can improve." I think that this is what it is. It is, "This is what we saw. This is what we recommend and now we just have to implement." I think the implementation or recommendations are going to be implemented and we will get better. I am obviously irritated with the sick leave one, because it is a recurring one. I just believe that it is so simple to fix. You hold the supervisors accountable and you make that they do their job. I would never expect that a subordinate to do something that I am not willing to do and I did it as a Police Supervisor. Even "I" could do it, is what I am trying to say. You can teach a monkey to do this. You compare your last month's balance with this month's balance, you get a total, and you make sure that the person has the available hours. To me the fix is simple. We hold our supervisors accountable and we make sure that we take action if these people cannot do that job. The other things like the pCard, I think that is tremendous success. I think three (3) instances out of...and really only one (1) that was done without prior authorization and I do not know what the scenario was. I would bet that there was some explanation, but if you look at the amount of transactions that flow every year, that is actually damn good, in my opinion. Of course, we want to strive to zero. The other things look like we are getting a handle on. I think the County Attorney has spoken on it. I think they will come up with the decent policy. My only suggestion would be that some of these policies are countywide, they should be the same for every department whether it is collections on accounts, vacation or sick leaves, reconciliation; those things should be standard in every department. We should not have one department doing something different then the next. The Administration needs to set that policy whether it is HR or whoever is going to be tasked with setting up the countywide policy and everybody has the same policy. I cannot understand how lately I have been hearing, "They do it differently and they do it differently." That would be my only suggestion. Let us try to define the policies that affect every employee and create a countywide system so that everyone is on the same page when it comes to the countywide issue. With that, the motion is to receive.

The motion to receive C 2016-23 for the record was then put, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

C 2016-24 Communication (12/29/2015) from the Director of Parks & Recreation, requesting Council approval to accept a donation of exercise equipment (a Bowflex Extreme 2SE Gym) valued at \$1,600, from Rick Steenblik, for use at the Kalāheo Neighborhood Center workout room: Councilmember Kagawa moved to approve C 2016-24 with thank-you letter to follow, seconded by Councilmember Kaneshiro.

There being no objections, the rules were suspended to take public testimony.

There being no on present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to approve C 2016-24 with thank-you letter to follow was then put, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

Council Chair Rapozo:

Next item please.

Ms. Fountain-Tanigawa: Council Chair, there is just the rewording that needs to be done regarding the Megaphones. I will read it as it should be presented.

C 2016-25 Communication (01/05/2016) from the Fire Chief, requesting Council approval to accept a donation from the Kaua'i Lifeguard Association, valued at \$35,757.09, of the following:

- Four (4) solar-powered public address (PA) systems, one each for Hā'ena Beach Park, Hanalei Pavilion, Po'ipū Beach Park, and MacArthur Park;
- Ten (10) rugged, high-quality, waterproof Kestrel Megaphones for use at six (6) other lifeguard towers and on four (4) jet-skis.

Councilmember Kagawa moved to approve C 2016-25 with thank-you letter to follow, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Discussion?

Councilmember Kagawa: I think this is a significant donation. I would like the Chief to abreast us, in general, of the value of having these items that are basically coming to the County for free and to protect our visitors and residents.

There being no objections, the rules were suspended.

ROBERT F. WESTERMAN, Fire Chief: Kaua'i Lifeguard Association (KLA) does fund these fundraisers and this was the money that was raised in the Third Wave fundraiser. In that year the idea was, "A way to improve the safety for the water safety officers and our local visitors." We have and I hate to say cheaper models, but we do and they do not last very long. They are very limited and the distance that the Megaphones work and in this case, the portable ones, are going to be at very tower, but we are also working on a system, as you can see, with a solar – powered unit and to have a remote control ability so if the water safety officer happens to be down on the beach somewhere he can actually set these up so they can key his radio and they can communicate to the PA system so that he can broadcast to a larger area. They are very loud so in some cases if you have been in the water, you know that it is kind of difficult to hear, even with the lifeguard down right in the water with the Megaphone and that is why we got the larger models that are a little bit louder. This provides us some ability to power our chargers in the towers.

Councilmember Kagawa: Thank you, Chief. How much is a jet-skis?

Mr. Westerman: Depending on the model, it could be anywhere from six thousand dollars to ten thousand dollars (\$6,000 - \$10,000).

Councilmember Kagawa: Do we have the trucks to move them around or will we see some type of request during the budget?

Mr. Westerman: Currently we have the trucks to move them around. We have trucks being replaced only because they rust out so fast, but currently yes, we have the vehicles.

Councilmember Yukimura: Chief, excuse my ignorance. The solar-powered public address system is what is related to the system that the lifeguard uses to communicate to people in the water?

Mr. Westerman: Yes. The solar-powered ones are a little bit more powerful because it has a bigger speaker.

Councilmember Yukimura: The speaker is the Megaphone?

Mr. Westerman: Yes.

Councilmember Yukimura: Okay. I understand. Thank you.

Council Chair Rapozo: The Megaphone is separate, right?

Mr. Westerman: The solar-powered system is a Megaphone system, it is all locked on to the facility, then there is portable Megaphones that you can take with you.

Council Chair Rapozo: So it is two (2) separate purchases. You are getting four (4) of the sound systems and six (6) of the portable Megaphones.

Mr. Westerman: Yes.

Council Chair Rapozo: And then the jet-skis.

Councilmember Kagawa: I just wanted to clarify that we are not getting four (4) jet-skis. If you read that communication, it looks like it includes four (4) jet-skis.

Council Chair Rapozo: It does not include four (4) jet-skis?

Councilmember Kagawa: No. It is for the waterproof Megaphones to be used on the jet-skis.

Mr. Westerman: Yes.

Council Chair Rapozo: I missed it when you read that. Okay. I was wondering why you asked, "How much are the jet-skis," and I was thinking we are getting some cheap jet-skis.

Councilmember Kagawa: I had thought that maybe perhaps it was within that range.

Council Chair Rapozo: I was trying to do the math and I figured maybe you folks were getting a good deal. Thank you. Any other questions? If not, thank you Chief.

Mr. Bernabe: I also was confused with the four (4) jet-skis, so do not feel bad. What I would like to say is before I lost my limb I was an avid big wave body-boarder. I have rescued many people from not only Kaua'i shores, but on other islands. The one thing that stands out to me on this Megaphone is, Kaua'i currently has a bunch of life preservers so in case a body goes in the water, the person laying on the beach has access to a float to go and rescue. Just recently, we had an

incident where the person in distress was attempted to be rescued by an individual who themselves got in distress with that floaty. My question that relates to this conversation, would it behoove us to replace those floatation devices with emergency phones or connected to this PA system somehow. I only ask because I would hate to think of the lawsuit that we are going to deal with if the person drowns because we put that thing and encouraged them to get in over their head and try to rescue somebody. I have rescued many people and I have to be honest that even with a body-board and a strong knowledge of the water, if somebody is in distress and in the mode of panic because they are oxygen deprived or they are fearing for their life, it is very difficult to rescue somebody in Hawai'i's waters. I do not think we should be encouraging them with these floating devices. I think we should convert over to one island-wide PA system that one of these jet-skis can come in fast ascent. Maybe it might rescue a life, but it is not worth putting somebody else's life at risk. Thank you.

Council Chair Rapozo: Any other members of the public wishing to testify?

The meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Further discussion? I just want to thank KLA. They do this every year. A tremendous effort and a sincere desire and I cannot start naming names because there are so many of them involved, but I want to highlight Dr. Monty Downs who is a very strong advocate for the water safety officers here on Kaua'i. Now the name Andy Melamed who is working very hard on the fundraising effort to get the moneys together so they can assist the County. I just wanted to shout-out to KLA because they do this every year. I understand that the next Wave fundraiser is going to be huge. They are looking at some big name entertainers that is going to be down at the Marriott, possibly sold-out already, I do not know. For the public if you can participate, you can see the fruits of their labor as a benefit to our residents and visitors alike. Thank you KLA.

The motion to approve C 2016-25 with thank-you letter to follow was then put, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

C 2016-26 Communication (01/08/2016) from the Life's Choices Kaua'i Coordinator, requesting Council approval to apply for, receive, and expend funding from the State of Hawai'i Department of Health, Alcohol and Drug Abuse Division, Prevention Branch, in the amount of \$110,000 per year for a period of three (3) years, beginning April 2016, for the Substance Abuse Prevention System – Partnership for Success Grant. The mission of the project is to improve the prevention infrastructure by promoting alignment and collaboration of prevention resources and priorities: Councilmember Kaneshiro moved to approve C 2016-26, seconded by Councilmember Kagawa.

There being no objections, the rules were suspended.

Ms. Sparks: I just wanted to support this request because as you know we did complete the feasibility study for an adolescent treatment facility and part of our recommendation was that there needed to be a continuum of care throughout the substance abuse issues. Prevention is probably the most cost-effective way to deal with substance abuse treatment services; therefore, we really support this. The best thing about supporting prevention services is that these are the very same services that are used for after-care services once a child accepts or goes through

intermediate and/or residential treatment facility. For Fiscal Year 2013, we identified about a million one hundred thousand dollars (\$1,100,000) that were coming into Kaua'i for substance abuse. The hundred and ten thousand dollars (\$110,000) that is being used or asked to be used for the infrastructure to perhaps create a better system within this County is just ten percent (10%) and so it would be dollar well spent for this County. Thank you for your time.

Council Chair Rapozo: Thank you. Anyone else wishing to testify on this?

Mr. Bernabe: I would also like to go on record and support this. There is a lot of people out there that can be fine one minute, have something occur, and then go down the wrong road. If there is a facility that can prevent this in a sense of recognizing it or has an open-door policy or whatever it is, maybe we can save a few from going down the wrong road. I know plenty of them, trust me. I think this department is doing a good job at trying to do what they can with what they got. I just wanted to go on record to support it. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to testify?

The meeting was called back to order, and proceeded as follows:

Councilmember Yukimura: Can we have Ms. Koki up?

There being no objections, the rules were suspended.

THERESA KOKI, Life's Choices Kaua'i Coordinator: Good morning.

Councilmember Yukimura: Hi Theresa. I am not clear about the indicators that you are going to be using to judge the success of this program.

Ms. Koki: We are going to collect data from the National Outcome Measures as directed by the Substance Abuse and Mental Health Services Association who gave this grant to the Department of Health, Alcohol and Drug Abuse Division. We are also going to work with other people to get the information such as hospital data prevention providers and things like that.

Councilmember Yukimura: You are collecting data?

Ms. Koki: Yes. This grant is going to be used to do data collection.

Councilmember Yukimura: What data are you collecting and who is collecting it?

Ms. Koki: On page 6 and 7, it shows you that we are required to collect data based on the National Outcome Measures. As part of our proposal application, we are going to continue our work that we establish a relationship with the State Epidemiological Outcomes Workgroup (SEOW) members, the University of Hawai'i Center on the Family, and also we have a County data bank that we built when we had the original phase of this grant; the Partnership for Success (PFS) grant that we started collecting information based on underage drinking, mostly arrests and episodes in the emergency room. We are going to be

building that up and this is part of this grant, to build the capacity to strengthen the decision-making and data driven process.

Councilmember Yukimura: The data that you are collecting is regarding underage drinking?

Ms. Koki: Correct.

Councilmember Yukimura: And that is the main focus of this study.

Ms. Koki: Yes.

Councilmember Yukimura: You will be focusing on alcohol?

Ms. Koki: Yes.

Councilmember Yukimura: Okay. Where is the list of the data that you are going to be collecting?

Ms. Koki: On page 7.

Councilmember Yukimura: Okay, that is at the top. You are going to be collecting National Outcome Measures on the following indicators. Could you explain National Outcome Measures?

Ms. Koki: These measures are what the Substance Abuse and Mental Health Services Association wants to get findings on these five (5) bullet points here. Normally we collect this information through school surveys; the Youth Behavior Survey and the National Survey that they do. The first two (2) indicators will be difficult for us to collect that ourselves because we do not do direct services and this grant is not a direct service grant, but the last three (3), we know we can collect that through our Kaua'i Police Department and our emergency rooms. We are going to have to work at a level of relationships with the providers; the services they provide pre and post-test and then the survey. That is why it is important for us to continue our relationship with the State Epidemiological Group who has the profiles on underage drinking and they have been collecting this data.

Councilmember Yukimura: The thirty (30) day alcohol use among persons age twelve through twenty, that is already in the schools surveys, is that not?

Ms. Koki: Correct.

Councilmember Yukimura: And binge drinking too, I am guessing.

Ms. Koki: Yes.

Councilmember Yukimura: Okay. So the County is not going to duplicate that data of collection, right?

Ms. Koki: No, but when we report back on this grant, we are going to abstract that figures to put it in the Kaua'i report.

Councilmember Yukimura: So, you are not creating a database, what you are doing is you are using these measures to evaluate the effectiveness of the

programs that you will be funding with the hundred ten thousand dollars (\$110,000), is that correct?

Ms. Koki: Yes.

Councilmember Yukimura: Okay. The list of your programs are determined?

Ms. Koki: I am not going to be providing direct service programs, but on page 3...

Councilmember Yukimura: Yes, you are going to be funding providers of services.

Ms. Koki: Yes. We are going to be funding capacity building so that would include training...we want to rebuild the coalitions that used to exist in the community. If I may, I want to begin explaining this communication. This grant is three (3) tiers. The first one was for the County to apply for money. To continue what we have started with the strategic prevention framework. The Alcohol and Drug Abuse Division had this grant since 2013 and now he is passing it on to the Counties. The second tier is that, coalitions that were still in existence could apply for money to do the work in the community as they saw the need. The third phase, which is exciting for us, is the Direct Service Prevention Providers could apply for the money directly to the Alcohol and Drug Abuse Division (ADAD). The last time we had it all in our Office. We did the Environmental Strategy and then we had the community prevention providers ask for money from us. To avoid an additional RFP, they are just doing it directly with ADAD, which is exciting. The sad thing is that we did not have any coalitions to apply for the second tier, so we thought that would be important while we are strengthening the prevention infrastructure to rebuild those coalitions, so the community can do the work that is best fit for their community.

Councilmember Yukimura: This hundred thousand dollars (\$100,000) does not apply to the third part of what you just described?

Ms. Koki: No, they are going to apply for another pot of money from the same grant directly with the Alcohol and Drug Abuse Division.

Councilmember Yukimura: How much money is available for Kaua'i?

Ms. Koki: For that phase?

Councilmember Yukimura: Yes.

Ms. Koki: I am not sure.

Councilmember Yukimura: This grant of a hundred ten thousand dollars (\$110,000) per year is going to be used on the first two parts of the three parts that you just described?

Ms. Koki: It is going to be used for our part, the County's part.

Councilmember Yukimura: And the County's part is...

Ms. Koki: On page 3, what we are going to do is continue our strategic prevention framework that we successfully completed in 2012.

Councilmember Yukimura: Okay. Do you have data on the work of the strategic prevention framework that shows what impact it has done on drug use and prevention of young people?

Ms. Koki: I believe in 2012 at the end of the grant the Epidemiological working group came to present. There was not time on the agenda, but you all got packets. I can check with them if they can electronically forward it.

Councilmember Yukimura: Well you are wanting to continue this work so I just wanted to know what the results of the work thus far has been.

Ms. Koki: I am sorry, do you want me to just give you a snapshot of what we did during that time or should I continue with the rest of what we are going to do?

Councilmember Yukimura: Well you want to continue the strategic prevention framework, so I want to know what the results that you want to continue and how you are building on has been done, but I want to know what has been done.

Ms. Koki: We have nine (9) evidence-based programs in the community to the prevention providers. The County did the environmental strategy, which was Community Mobilizing on Change for Alcohol. We formed this group called Kaua'i's Leaders. We had youth leaders in each school that are all seniors now, they started from freshmen. We had a lot of relationship building and one of the outcomes for some of the prevention providers was that they were able to continue their evidence-based program until today from the PFS being able to set them up. One of the good things about it is we had a really hard time here on Kaua'i, first of all, with data collection evaluation and also to look at evidence-based programs that are effective throughout the rest of the United States, but not necessarily culturally competent here for Kaua'i. We had also of education on that part, then people were convinced that this program looks like it worked successfully on similar Counties, therefore they started implementing with a little bit of tweaking on the cultural part without changing the fidelity of the program. They were able to do a lot of good work and then they chose that program to continue.

On page 8, we have all the providers, what programs they offered, and how many youth they served.

Councilmember Yukimura: How about the results of the indicators you were measuring by the program or the results that show reduction of prevention of drug use.

Ms. Koki: I believe a correspondence was sent to you in 2011 regarding the Statewide infrastructure that Kaua'i's sample size was too small to measure, but I will get you the reports for each program and what the end result was.

Councilmember Yukimura: Basically, the budget that you are showing...how are you proposing to spend the hundred ten thousand dollars (\$110,000) that we are getting?

Ms. Koki: Our proposal is to hire a project coordinator for this grant and that person would be the one mobilizing the community, scheduling all of the trainings, taking care of the fiscal reports, and whatever community needs arises when we do the capacity building for the coalitions.

Councilmember Yukimura: Do you have what the goals or the outcomes are that you have for this grant?

Ms. Koki: I have our desired outcomes on page 6, just before the national outcomes. When we responded to this RFP, if I can just explain, page 3 shows what we are going to accomplish. We responded to this RFP to the State, they gave us certain criteria that we had to do and one of them was the capacity building to certify other people besides myself to be a certified prevention specialist. In the future, there will be requiring that every agency that applies for money from them for prevention services had to be a Certified Prevention Specialist. They could not do that criteria before because they did not provide training. With this, they are providing the money for us to have people trained.

Councilmember Yukimura: One of your outcomes is to decrease the gaps in prevention services.

Ms. Koki: Correct.

Councilmember Yukimura: How do you know what the gaps are?

Ms. Koki: We are going out into the community and we are going to do an assessment.

Councilmember Yukimura: Okay, so that relates to the integrated continuum of care...

Ms. Koki: Correct.

Councilmember Yukimura: ...which I do not think I ever got from you, right? It was going to be submitted.

Ms. Koki: Because we are going to do it. It is in our drug plan that we are going to be doing assessments in the community to update the list, but I did forward the existing one along with the one that was done by Norma Doctor Sparks during the feasibility phase.

Ms. Nakamura: I believe that was forward to the Council in November or December of last year.

Councilmember Yukimura: Yes, I do acknowledge getting that. At the end of three (3) years, we will have an integrated and coordinated continuum of care.

Ms. Koki: An updated one, yes.

Councilmember Yukimura: It is not just going to be a chart. It is going to be actual services in place, is that your goal or just a chart that identifies gaps.

Ms. Koki: We are going to put together the information, which the chart was the word you used on the correspondence and also in actuality, I can do the best I can, but I am not going to be the coordinator for these services because they have other people that manage their services that they provide. One example of duplication...we are going to be identifying duplication and gaps in services. On page 8, three (3) people did positive action and there were other programs that might fit the youth in that community that might be something else, therefore, instead of having eighty (80) kids go to one (1) positive action and five (5) go to this other, we are going to try and build that up to have gaps filled and duplication eliminated. It is going to be a very big job to do. I have been trying to do it for years. As long as money is competitive, it gets even harder, but we are going to try to work it out. When I talked to the Alcohol and Drug Abuse Division at our first preliminary meeting we had about this grant, I also asked them, "Since we are going into the community, if we could also do the treatment gaps and services at the same time," and they replied, "Of course," because the Alcohol and Drug Abuse Division does both fund, prevention, and treatment services, therefore, that is what we are going to be doing. It is in the drug plan as well. We want to make sure that we focus on the community, itself, and what their needs are. That is the full continuum, the prevention, and treatment.

Councilmember Yukimura: That is correct. That is full prevention and as Ms. Sparks pointed out, it is the aftercare for anybody coming out of intense treatment. Thank you.

Council Chair Rapozo: Any other questions for Theresa? If not, thank you.

Councilmember Chock: Sorry, yes, I have one question. Being on coalitions in the past and seeing what the needs are, and you do not have to answer it now because I know it is in development with this grant, but it seem to me there was a strong need not only to coordinate from an umbrella standpoint which we are looking at the lack of support or what was needed for the individual communities in the continuance of their services and coordination with their services really something that needed to be substantiated. We really need that on the ground coordinator for each of these districts in order to sustain itself.

Ms. Koki: Yes.

Councilmember Chock: And that is something that has lacked in moving or keeping us on track. We have lost our coalitions because of that and thus our services coordinated. My hope is that you are looking at that. I just wanted to verify that that is what you will be focusing on in the outcome of the third year to substantiate that.

Ms. Koki: Yes, we will and also I am going to be contacting everybody who had the coalition out of respect for them to find out what happened and each individual would be treated as like the needs of their community and how we can support them as well with this grant. I know the number one thing might be burn out, but I have several people from the community who came forward already to meet with me. They did not know about this grant, but they want to do something in the community like rebuild the coalition. We are going to do in the *moku* system, I did write that down here, and we will be contacting you, as well as Councilmember Yukimura, who did such excellent work in central coalition and east coalition.

Councilmember Chock: Thank you for that. I think there is a lot of energy of people showing up and wanting to contribute, they just did not have the support to organize that.

Ms. Koki: Correct.

Councilmember Chock: Thank you.

Council Chair Rapozo: Yes, there are people out there like myself who hate to attend meetings just so we can set another meeting. I was on the coalition early on from Mayor Baptiste time, and I slowly got tired. It is getting together, set another meeting, set another meeting, set another meeting, and some people just say that they are tired of meetings versus what I think Councilmember Chock is talking about, getting a support system in place that can actually oversee and really make sure that there is an action plan that some things get done so people will retain their interest and feel like they are actually doing something and not just meeting just for the sake of setting another meeting. That is just some of my *mana'o* from personally doing that year's ago. It is definitely needed and I appreciate you being on this and securing these funds, Theresa. I know it is a battle. Thank you. Anyone else wishing to testify?

The meeting was called back to order, and proceeded as follows:

The motion to approve C 2016-26 was then put, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

LEGAL DOCUMENT:

C 2016-27 Communication (01/15/2016) from the County Engineer, recommending Council approval of a Conveyance of Easement "F," Kalapakī, Līhu'e, Kaua'i, Tax Map Key (TMK) (4) 3-6-003-072, by Līhu'e Court Townhomes Corporation, a non-profit Hawai'i corporation, of a right-of-way easement necessary for construction of and public access to the Hoala Street to Rice Street Shared Use Path, a Community Development Block Grant (CDBG) funded project, for pedestrian and bicycle access to Līhu'e Court Townhomes, Rice Camp Senior Housing and the area around Hoala Street.

- Dedication of Easement

Councilmember Kagawa moved to approve C 2016-27, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Not long ago we asked the Department of Public Works if they are going to send over something, send over a map that is in color and maybe we have a map that is in color, but...I think after the Oloheua deal where we see bike lanes popping up, I want to get a clear understanding of what this will look like and make sure it is safe. I cannot tell by this map. This map is just...were they planning on being here to discuss this? Oh, I did not see Lyle back there. Lyle, do you have a map that shows this project besides the one with this communication.

There being no objections, the rules were suspended.

Mr. Tabata: I do not have it with me right now. The project entails, we briefly talked about it as a connection...

Councilmember Yukimura: Can we put it up?

Mr. Tabata: Yes. It would be adjacent to the Transportation Investment Generating Economic Recovery (TIGER) project that is one that is being funded by the Community Development Block Grant (CDBG) funds. What we wanted to do was connect Hoala to Rice Street. We show the rendering of where we would reinstall a crosswalk next to Kalapakī Villas. That would connect, initially that crosswalk was there and we are just completing all the legal documents to get that right-of-way.

Council Chair Rapozo: I guess you can put the map up because I cannot honestly...

Mr. Tabata: Michael, do you want to show them your larger map?

Councilmember Yukimura: I think with some explanation, it might be discernable.

Council Chair Rapozo: Honestly, I cannot tell where this is.

Councilmember Yukimura: Mainly Līhu'e Court.

Council Chair Rapozo: Where is Līhu'e Court?

Councilmember Yukimura: Kalapakī I Development Corp., it is an old map.

Council Chair Rapozo: I honestly cannot make out where this is. It says on the top, "To Nāwiliwili," is that Rice Street?

Councilmember Yukimura: That is Rice Street.

Mr. Tabata: Right. Wait until the map comes up and then we can...

Councilmember Yukimura: This looks like a really old map.

MICHAEL MOULE, Chief of Engineering Division: I am just going to start with the overhead map, which is the one you have attached with your document. I will explain what is what on this map and then we will zoom in and show the actual path design. This is Rice Street here. This is Kalapakī Villas right here. Across the street is...I forget the name of that condominium development, Līhu'e Townhouses. Back here is Līhu'e Court Townhomes. This right here is Hoala Street, which is the street that the Rice Camp Development was (inaudible) on recently. This area here is the easement area in question. There is an existing easement on the area on that portion of this property which is a portion of the Līhu'e Court Townhomes property, it is all connected there. That easement however does not specifically...it is written generally for future public access, but it does not specifically say what can be on that space. Therefore, the easement document in front of you specifically allows for an easement to be dedicated to the County for purposes of public access for a shared-use

path. Now we will change the drawing to give you more detail on that shared-use map.

Councilmember Kagawa: Council Chair, can I ask a question with that map up?

Council Chair Rapozo: Yes.

Councilmember Kagawa: Where is Kalena Park, Fire Station, and the United Public Workers (UPW) Building?

Council Chair Rapozo: My question was going to be, where was Kalena Park?

Mr. Moule: Again, Rice Street over here. Hoala Street here. If you continue down this direction, in the *mauka* direction, you come to Kalena Street, which also connects to Rice Street. Kalena Park and the Fire Station are in that area, but they do not show up on this map because they are a good quarter mile, maybe not quite that far, but several hundred feet away down the road. This provides this path here, which again is funded through the CDBG grant funds from the Housing Agency, which are federal funds, but managed by the Housing Agency to construct this walking and biking. We are primarily thinking about kids from this area and others from this area to be able to walk out to Rice Street and on to other destinations. They currently walk that area today, it is grass and this is to formalize that that is a physical path and make it accessible for people in wheelchairs and others who can use that space.

Council Chair Rapozo: Is there not a stream in that location? Is that where the stream is?

Mr. Moule: No. There is no stream there. There is some drainage area to collect storm water, but there is no stream.

Council Chair Rapozo: Is that the drainage? Do you know the chain link fence is along Rice Street? There is a drainage area.

Mr. Moule: That is down here, on the other side of the street. We are here, that is on the other side of Kalapakī Villas and Līhu'e Court Townhomes.

Councilmember Yukimura: That is a former railroad.

Mr. Moule: I do not know the details myself, but I understand that it is a remnant from the sugarcane era. There is a large drainage ditch that runs along here, but that is on the other side of these major developments.

Council Chair Rapozo: I guess I have to look it up on Google Maps.

Councilmember Kagawa: What is adjacent or abutting the easement? We can all see that easement, but what is adjacent to it, so that everybody knows what area we are talking about.

Mr. Moule: This is Kalapakī Villas. This is Līhu'e Court Townhomes back here. This is a vacant lot that is chain link fence and has various vehicles, buses, small buses, and other things parked in there.

Councilmember Kagawa: That is the vacant lot adjacent to Dani's Restaurant.

Councilmember Yukimura: Yes.

Mr. Tabata: Yes.

Councilmember Kagawa: Okay, now we are getting somewhere.

Mr. Tabata: And across the street now is adjacent to Līhu'e Townhomes is the commercial that was built where *Hā* Coffee is.

Mr. Moule: *Hā* Coffee is right about here.

Council Chair Rapozo: And right now it is just grass.

Mr. Moule: There is grass and the Līhu'e Court Townhomes, which again they own the property on the *mauka* side in this area, they have some community gardens that will be maintained and kept. We are avoiding the gardens with this path. Essentially the path is going where the grass currently exist. There is a few palm trees here and there. I think there is a couple small palms, which have to come out, but we are preserving the large palms. Mainly it is going on what is existing grass and up at the end right here near Rice Street, I do not know the history, but there is an asphalt paved area that may have been used for parking or something in the past. We are planning to take out the asphalt and place the portion of where the asphalt is, with a ten (10) foot wide shared-use path and grass the rest of the area that is asphalted. It is not used for any purpose that we can see at this time. We have talked to the Managers of the Līhu'e Court Townhomes about this project when we first conceived it, before we even applied for the grant, we got a letter of support from them, and this easement document is necessary for us to legally build the path on the space. I can show you the path details if you want to see how it fits into that space. I have the drawing.

Council Chair Rapozo: This was approved in last year's CDBG...

Mr. Moule: Yes, we applied for the grant about a year ago, and January is when the applications were due. It was approved soon thereafter and we came to you all for an approval to apply for the grant, if I recall correctly. We were also here recently, to talk about the crosswalk there, to connect to the...

Council Chair Rapozo: I remember the crosswalk, but I do not remember this project in the CDBG presentation.

Mr. Moule: Yes, I know it has come to you at least once before, but I do not remember exactly what it was.

Councilmember Yukimura: It came from the Housing Agency.

Mr. Moule: It probably would have been by the Housing Agency, not us, that made the presentation.

Council Chair Rapozo: For the shared-use path?

Mr. Moule: To talk about how the CDBG funds are being funded. If that came to you all, that would have been a Housing presentation.

Council Chair Rapozo: Normally it is broken down by projects. When applications come in from CDBG, there is specific project and I just do not remember this one.

Mr. Moule: Okay, I do not know exactly what they had on the list, but I do know that we applied last January and we were accepted a few months later.

Council Chair Rapozo: Staff, do we have that? We approved the CDBG Resolution, can someone pull that? Any other questions?

Councilmember Kaneshiro: Is this just a walking path?

Mr. Moule: Walking and biking, both. It is for both users, not for cars.

Councilmember Kaneshiro: Our responsibility for maintenance is to maintain the walking path and an area along the side of it.

Mr. Moule: I have to look at the documents to see what it says, but I think our main responsibility is for the path itself. Our understanding at this point is that Lihu'e Court Townhomes will continue to maintain the grass, use their areas of the gardens and use that space as they are doing today. I would have to read to see exactly...I do not remember all the details of the document unfortunately to be able to tell you exactly what it says about maintenance responsibility. What I believe it says and we intended for it to say was for it to say that we would be responsible to maintain the path itself, but not the rest of the...

Council Chair Rapozo: Any idea of the cost?

Mr. Moule: ...it says the Grantor shall be solely responsible for maintaining and repairing Grantor's improvement in the easement area in good and safe repair and condition. That is their improvements to maintain. Grantee, which is the County, shall be solely responsible for maintaining and repairing Grantee's improvements in the easement area in good and safe conditions. Our improvements are the path itself, and their improvements are the gardens and the fences they have around their garden and things like that. Each entity is responsible for maintaining their own improvement within the easement area.

Councilmember Kagawa: Currently that easement there is used by walkers and bikers?

Mr. Moule: Yes. Primarily walkers because it is harder to bike, but I am sure you can do biking across the grass as well.

Councilmember Kagawa: And the people using it are primarily residents who...

Mr. Tabata: Primarily school children. Right now they either walk through that area or they walk down Hoala, which is unimproved to get to school. There are a number of children every day that use the routes to get to Wilcox Elementary School.

Councilmember Kagawa: Okay.

Mr. Tabata: I believe this subdivision is the largest subdivision that children walk to school from and that is what was the Genesis for this project a number of years ago and even before TIGER. We have been working on this for a while and I am really happy to see it come true that we can provide a safe path for the children.

Councilmember Kagawa: Is the Līhu'e Court Townhomes is a State Housing project?

Mr. Tabata: I do not think it is the State.

Councilmember Yukimura: It is a nonprofit; Mutual Housing.

Councilmember Kagawa: Okay.

Councilmember Yukimura: Did you talk to the residents of Kalapakī Villas as well?

Mr. Moule: We did not talk to the residents of Kalapakī Villas about the improvements to the space. We talked to Līhu'e Court Townhomes because it is their property.

Councilmember Yukimura: I know, but the path is passing right by Kalapakī Villas. I would urge you to talk to them too so at least they are informed, especially before construction begins. I would think they would like it and use it also, but I think because they are adjacent to the improvement. You are connecting to Hoala which is the street that goes between the two parts of the Rice Camp Senior Housing, correct?

Mr. Tabata: Yes.

Councilmember Yukimura: And so there is not sidewalks from that Housing project to this proposed sidewalk, but it is something that they can use to access Rice Street.

Mr. Moule: Yes. Actually the TIGER grant project that we presented to you last week, includes sidewalks on one side of Hoala Street from roughly where this path is down to Kalena and then on Kalena Street down to the Rice Street.

Councilmember Yukimura: I do remember that now.

Mr. Moule: Essentially that would form a loop. In other words, there would be two ways potentially from this Līhu'e Court Townhomes, but if you think about it from a perspective of someone who is at Rice Camp housing, if they want to walk *makai* on Rice Street, they can come down Hoala Street in the

future and then take this path instead of going around the long way. It provides a better network of walking facilities than what exist today.

Councilmember Yukimura: This map does not show the townhouses. It feels like a really old map, but that is the map that is attached to the deed.

Mr. Moule: Yes, this is the actual tax map key (TMK) that shows the lots of record.

Councilmember Yukimura: Why does it not show the buildings of the Līhu'e Court?

Mr. Moule: Tax maps do not. They simply show property lines.

Council Chair Rapozo: You folks are capable of doing a...you do it all the time when you come up and do your presentation when you show your projects.

Mr. Moule: We can pull up an aerial photo now online.

Council Chair Rapozo: I can do that too.

Mr. Moule: As I mentioned, we do have a drawing of the actual path design. It probably does not show the buildings on either side because it is focused on the area in this property, but if you want to see the context, you can very easily pull up an aerial image on Google Earth and show it to you. It would be very simple for us to do that.

Council Chair Rapozo: Well I think we requested the last time when these things come up so we have a chance of looking at it before the hearing. I thought we had asked for that the last time because this map...unless you knew where exactly it is, you could never tell because there is not even a street name on this map. I mean, "Hawaiian Telephone Company," they have been...this is old. This is probably...when was this? I am just saying to make it easier for us and for the public, if we have to put it up...now a days, I know you have the capability because I saw you do it. If you can do the overlay on Google or whatever you use, to show reference to...because I think the public, Councilmember Yukimura brought up a good point about Kalapakī Villas. I am hoping that they are not going to be upset. I cannot imagine that they would be, but I do not know because that path is already being used now, right?

Mr. Tabata: Yes.

Council Chair Rapozo: People are already using that path to get from Hoala to Rice.

Mr. Tabata: Yes.

Mr. Moule: Typically on something like this if you have some usage having a designated facility increases the use and actually puts more eyes on the street or path which helps reduce potentially the incidents of crime in that area. When there is not many users that is when we see...

Council Chair Rapozo: Well you know when the proposal to put a bike path through Wailua Houselots went through, that argument did not fly with the residents; I can tell you that. It got so bad that the Mayor pulled it. They do not see it that way. When people are coming pass your house, people looks at it in a different way. I think there are justifications on both sides and I think it is a reasonable request to have anybody that is going to be impacted at least have knowledge that it is going to happen. Again, I do not think in this case it would affect them because it would help them, but I do not know...

Councilmember Yukimura: How difficult would it be to give us, when these things come up in the future, a location map? I am not sure if I am using the right word, but something that gives us a better orientation of where the property is.

Mr. Tabata: We have that.

Mr. Moule: I have other maps that I can show you. We did not send them to you, obviously, we just sent the document itself.

Councilmember Yukimura: I think you are hearing from the Council a desire to be oriented.

Mr. Tabata: Yes.

Councilmember Yukimura: Key landmarks if it is, whether it is Dani's or the Fire Station or something that tells us pretty quickly where we are.

Mr. Tabata: Okay.

Councilmember Yukimura: If you have that now, we can look at it.

Mr. Moule: And one clarifying question, is that something that you would like to have sent to you in advance, not just shown in the meeting?

Councilmember Yukimura: Well if you send it to us as part of the agenda...or is that difficulty?

Mr. Tabata: No, we can do that, yes.

Mr. Moule: Yes, we can do that. I think the one challenge is for the things we send in advance is that we have been asked to send things that can be easily reproducible in black and white. The color aerial image is not. We can do what we can, but it is not going to be as good as what we can show in the meeting.

Councilmember Yukimura: Where the color is important to giving us a good orientation, I would say, make color, but if you have...like the Council Chair said Rice Street is not even delineated which makes it hard. It would be on a case-by-case, but I am thinking that you could get black and white maps that could be pretty clear.

Council Chair Rapozo: This is what was sent over in December. "This is to request that the Administration and the various Departments transmit all maps and other graphics to the Council that are of sufficient quality and type of color or gradient so as to enable multiple instances of black and white photocopying. Please note that this is in addition to the established requests made on December 2, 2014 by

former County Clerk Ricky Watanabe on behalf of the Council, in particular the request that submittals be legibly reduced to paper size 8.5" x 11". We did request and maybe you did not get the memorandum. Maybe you did not get the memorandum, but it just makes sense...this does not help me with the text, so if we can get a map to show the location. It does not need to be in color, but at least we know. This bike path or shared-use path will end on Hoala. If I am going down Hoala, where does this cut back to Rice, where will this be?

Mr. Moule: I have a location map on the screen. Here is Rice Street. Here is where we are sitting today in the Historic County Building, in this area. This is the intersection of Hardy Street and Kalena Street. Kalena Park is right there. The Fire Station is right there. You come up Kalena and you first have Malama Street, which runs behind Kalena Park and then you have Hoala Street, which runs between the two portions of Rice Camp, which are here and here. Hoala Street ends at a cul-de-sac right here and behind that is Līhu'e Court Townhomes. This right here is the right-of-way or easement in question. That is where the path is proposed to go. Connecting Rice Street here across from the Līhu'e Townhomes, that four-story building or so, to the dead-end of Hoala Street. This is right where the entrance to the Līhu'e Court Townhomes affordable workforce housing project.

Councilmember Yukimura: That is not sufficient. It does not even show where the lot is. What we are talking about is something where we do not need you to explain to us. It is something which we look at and...so it should have Kalena Park, Fire Station, and it should have the lot itself – we do not even know where the proposed project is by that map.

Mr. Moule: I am not suggesting this is what you asked for a few minutes ago.

Councilmember Yukimura: Okay.

Mr. Moule: What I am showing you is what we have available today. This is the location map from the plan set. I have the plans themselves and I can show you that as well.

Councilmember Yukimura: No.

Mr. Moule: I recognize that it does not label anything and that is why I explained everything.

Council Chair Rapozo: I think we misunderstand the purpose of the need to come to Council. It is not to let seven (7) people to decide whether it is right or wrong, it is so the public can chime in.

Councilmember Yukimura: It is both.

Council Chair Rapozo: The presentations have to be made so that the public can understand what we are talking about. I can tell you that too many times I have voted aye, and then I find out...my gosh, because the map was not sufficient or because I did not really understand. That is why we requested the picture so that the public can see, then we hear from the public, and then the Council makes the determination. That is I think a very reasonable request. I am not sure why we did not get it.

Councilmember Kagawa: Has the Department of Public Works considered the overall traffic flow and potential expansion of housing projects in that area where we may need it to not only be a pedestrian/bike road, but also a vehicle road in order to accommodate all types of traffic. If I look at this map, this easement looks almost as big as Rice Street. It is quite a large easement. Have we just decided that the current roads are adequate to handle all future expansion of that area for housing?

Mr. Moule: The easement is absolutely wide enough to have a future road on it, that is certainly possible. We recognize that and we understand that if that something like that could happen in the future that a road could be built on that space. The underlying easement talks about it being used for future access and not just for walking or biking. At this time, we are not proposing to building a road impart because the significant cost associated with that. There is no doubt that it would provide additional outlets for people that are driving from some of those sites and it would provide additional network, which we encouraged street network generally speaking and path network and all of that. Currently the anticipated developments that are there were not going to result in significant congestion, let us say Hoala and Kalena intersection or at the Kalena, Hardy, and Rice Street intersection. It is not a congestion issue as much as, yes, it would be more convenient if people had other ways out, there is no doubt about that, but the existing road network is more than sufficient to handle the traffic that is there and the new traffic coming from Rice Camp. Rice Camp had a traffic impact analysis done and it showed that the network would handle it just fine.

Councilmember Kagawa: Part of my concern is the existing Hoala Road is a one-car lane, basically very narrow. At least if we anticipated improvements for safety of vehicle and pedestrian mixed-use, I would think that a straight exit from the Līhu'e Town project, straight through that easement would be a much safer route than the current route of going on a very narrow Hoala Street with no room for expansion or widening because there are existing buildings and properties adjacent to both sides of Hoala Road. I am thinking that it would not make sense. That is why I asked who owns it because we are doing the improvements that I think should have been done by the developer.

Mr. Moule: Is there a question about...

Councilmember Kagawa: I just want you to consider that Hoala is insufficient as far as vehicle traffic. Have you considered that this might be an option, but you decided that Hoala is sufficient to safely accommodate vehicle and pedestrian traffic and this option is not a good option or not feasible at this time.

Mr. Moule: A couple answers to that, I think that Hoala is eight (18) to twenty (20) feet wide, which twenty (20) feet or close to it is a typical residential street width on Kaua'i. I am sure that it is more than eighteen (18). As far as, "Could we do a road here now or in the very near future," I think it completely changes the nature of the corridor, the garden that is there would likely have to come out, we would have to purchase the property to do it, or have it dedicated to us as a right-of-way and not just an easement.

Councilmember Kagawa: Okay.

Mr. Moule: Typically, we put paths and sidewalks on easements, but not roads, generally speaking. It is unusual for a grantor to want to

grant an easement to a County, State, or City, or anybody for a road. I am not familiar with any honestly that I could think of where that has been done. The grantor would want that and as the County, we would typically want that. It is a much larger undertaking than this relatively simple project using CDBG funds to provide a path and formalize the existing used path into a walking and biking path.

Councilmember Kagawa: Thank you.

Councilmember Chock: I know we have talked about the crosswalk in the past, but can you confirm that that crosswalk would be serving a lot of youth going to school. Is that an electronic traffic light?

Mr. Moule: It would not be a red, yellow, and green signal. It would be the rectangular rapid flashing beacons, similar to what we have here on Rice Street near the Līhu'e Post Office. As we talked about last week, the crossing safety has improved by the proposed Rice Street project as we discussed last week as well.

Councilmember Chock: In terms of how it impacts the traffic flow, we have a traffic light intersection a little bit further up at the park and then now we have this potential...

Mr. Moule: It is minimal honestly. That area of Rice Street has a lower traffic volume in the area at the Post Office and the signalized intersections, there is one at Hoolako Street that goes to the Stadium, and there is one that goes to Hardy Street and towards Kalena and Hoala. The spacing is much greater. This crosswalk is probably close to twice as far from those two intersections as the one here at the Līhu'e Post Office is from the Kūhiō Highway light traffic signal and the Umi Street traffic signal. It is a much larger spacing in that area; therefore, I think that is relevant with respect to how that operates. Motorist yield to pedestrian, the time that they have to stop or wait for a pedestrian, is long enough for them to clear their half of the road and be out of danger, per the law, which only takes, when you are talking about twenty feet (20') or so, at a slow speed about seven or eight seconds. Therefore, the amount of delay the motorist experiences is relatively small with a flashing beacon arrangement. We do not expect to see significant flows of pedestrian that cross. If I had to estimate the number of pedestrians crossing there with this path, it would be one tenth or one twentieth what we see here at the Līhu'e Post Office. I think that any level of congestion would be far less than what we experience with the existing crossing here at the Līhu'e Post Office.

Councilmember Chock: Thank you.

Councilmember Kagawa: I have a follow-up. What is safer; a crosswalk that we are going to create there or a crosswalk at a traffic light like the intersection of Kalena and Rice?

Mr. Moule: That is a good question, but there is no right answer to. There is no simple answer that that.

Councilmember Kagawa: Is the traffic light the safest?

Mr. Moule: Not necessarily. Prior me joining the County, I taught pedestrian safety course for the Federal Highway Administration all over the Country. One of the things we talked about is the tradeoff between midblock and

signal light intersection crossing and if you think about it from a point of view of a signal light intersection, yes, you have the red light the stops the through-movement traffic, right. But what you have at the same time when a pedestrian crossing say Rice Street at Hardy and Kalena, from Kalena Park to Motel Lani, at the same time you they get their walks in, you have the green light for Kalena and Hardy Street. The right turns off of Kalena and the left turns off of Hardy Street is at conflict. It is an inherent conflict with signalized intersection crossing. You have one better on the through road, you have stop, but you have these additional conflicts, therefore, because of that, we cannot definitely say that it is definitely safer to have a signal. Now if you were signalized at midblock crossing, it might be a different story, but we cannot say that with respect to a signalized intersection crossing versus a not signalized midblock crossing.

Councilmember Kagawa: Is there any time that in distance being saved by crossing across from the easement compared to just walking up Rice Street and cross the crosswalk at the signal light. Is there any distance being saved with any shortcut? It seems to me that if you add it up it is the same distance.

Mr. Moule: It depends on the destination.

Councilmember Kagawa: No, we are talking about school children walking to Wilcox.

Mr. Moule: Schoolchildren walking to Wilcox, there is not a significant difference in distance, but that is not the only destination.

Councilmember Kagawa: I understand. We did this similar crosswalk across the Līhu'e Post Office and the reason why we did it was because there was a significant distance that one had to travel either up or down Rice Street in order to hit this crosswalk that we had for many years right across of Eiwa Street. Again, I want to avoid having too much of those crosswalks, if possible, because I believe that it is not necessary if there is a crosswalk that is made by...anyway. Thank you.

Councilmember Yukimura: I had the same question in my mind as Vice Chair. I am wondering if there is some data on the safety of the flashing lights crosswalk versus the traffic signal crosswalks. Is there data on that?

Mr. Moule: You are comparing apples or oranges because it is such a different scenario.

Councilmember Yukimura: No, but the data will...

Mr. Moule: And then there are research that shows in Cities and I am not going to put an exact number, that shows a very large percentages of pedestrian crashes occurring at the signal light intersection. Something in the forty to sixty percent (40-60%) range, but that does not necessarily tell you that signals are more dangerous than non-signalized because you do not have the exposure. That is the problem. Getting studies that show exposure rate of how many crossing here versus there – there are just not that robust studies on this. There are some scenarios where adding signals are going to be safer, but adding signals also increases rear-end crashes on our roads, for example, and that is a known fact in traffic engineering, therefore, we do not put signal in everywhere we might otherwise want them for that reason.

Councilmember Yukimura: I am not advocating signals. Do you have plans under the TIGER grant to do those islands or that infrastructure...what are they called?

Mr. Moule: Curb extensions?

Councilmember Yukimura: Curb extensions that are...at least at that...

Council Chair Rapozo: We need to tie it back into this TIGER grant request.

Councilmember Yukimura: It is because it is that easement that is going into the crosswalk and I worry about little kids...because I have seen people ignore the flashing lights even with adults crossing. I am just concerned that little kids going across might not be seen so having those curb extensions might help by giving a shorter distance for the kids to cross.

Mr. Tabata: That was planned.

Mr. Moule: In the TIGER drawing that we showed you last week, we showed...there are parking shown on both sides of the road in this segment of Rice Street and in the conceptual drawings that we showed you last week and there is curb extensions shown at this crosswalk location.

Councilmember Yukimura: Because you do not want to have a kid coming out of the parked car...

Mr. Moule: Exactly.

Councilmember Yukimura: Okay.

Mr. Moule: Absolutely. We agree with all the comments with respect to minimizing unnecessary crosswalks, trying to place them where they make sense and spacing, and thinking about where specific destinations are. There used to be a crosswalk roughly at the location where we are proposing – it was there, but taken out a long time ago and there are reasons for that. Crosswalks across four-lane roads are challenging and we recognize that. In this case with the path coming out, the Lihu'e Court Townhomes that went into the path, the other townhomes on the other side, the Hā Coffee across the street, and...I should get the distance, but it is probably a thousand feet or close to it, to the nearest signalized crossing, which is well beyond the distance that anyone would walk to cross and then come back to a destination.

Councilmember Yukimura: I am in favor of a crosswalk there as long as it can be made safe. Someone from the townhouses wanting to go to Dani's will not go all the way down to Motel Lani to cross the street. They are just going to try to cross without a crosswalk somewhere midway, so having a crosswalk makes sense to me especially as that area develops. Even that area that is now used as a used car place or whatever it is, with the chain link fence is at some point going to develop too. As long as it can be safe, I think it makes sense and I think that is what we are asking about.

Mr. Moule: I can show you the drawings that show the treatments that we are proposing at the crosswalk. We are doing everything in the

toolbox that is available to improve pedestrian safety at an un-signalized crossing and I can show you that drawing of us trying to make it as safe as we can.

Councilmember Yukimura: Okay. Thank you. Lastly, I want to go back to that what you put up as a potential...no, I do not want to go back, you do not have to put it up, as a location map because what it suggested to me is that you may not be understanding what we are asking for. I am just hoping that the next location map that is provided to us will show the lot itself or the subject site map and key landmarks will be on it so we can orient ourselves by looking at the map almost immediately.

Mr. Tabata: Okay.

Mr. Moule: I recognize exactly what you are asking for. Again, these maps were not prepared for the purpose of showing to Council, but we can prepare maps in the future endeavors, sure.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: Would you agree that is a reasonable request, right? Why would you send something over that is not going to help the Council? I do not get that.

Mr. Moule: In this case all we sent was the actual easement document. We did not intend to send more in this case, but we can do that.

Council Chair Rapozo: I would suggest that otherwise, it will get deferred to the Committee and then you wait and that is what I do not want to see.

Mr. Tabata: Thank you. Do you have a copy? Could I take a copy of that memorandum, or I can dig it up and find ours.

Council Chair Rapozo: No, you do not have to dig it up. This went to Nadine Nakamura, so I cannot say that it went to you and you would hope that this would funnel down.

Mr. Moule: I had a note.

Council Chair Rapozo: That is one of the problems we get. We send things across and get no response. I do not know where the breakdown is, but that just frustrates us here. I hate delaying things. As a courtesy to this body, we have to know what we are approving.

Mr. Tabata: Point taken and we will do better. Thank you.

Mr. Moule: This memorandum as I understand it, it simply asked that if we provide maps that it will be at sufficient quality. It does not ask for something specific.

Council Chair Rapozo: Let me make this clear, if you think this is sufficient quality, keep sending them, and I can tell you what I will do – we will refer it to Committee so it will get a two (2) week delay. If you believe this is sufficient quality for the discussion, keep sending it.

Mr. Moule: That is not what it says...

Council Chair Rapozo: I am not going argue with you. I think you know what we want.

Mr. Moule: I do know what you want, but what I am saying is that this did not ask for that. You asked for it today.

Council Chair Rapozo: No, I said it here on the floor.

Mr. Moule: Right.

Council Chair Rapozo: I am not going to argue with you.

Mr. Moule: And I have said that we have heard that and we will do that in the future. I do not know what else we can say.

Council Chair Rapozo: Yes. Well, you did not do it this time.

Mr. Moule: Because you did not ask for it before today.

Council Chair Rapozo: I will ask for a motion to refer this to the Committee because I am not comfortable voting on this today. Councilmember Yukimura brought up a very good point about the Kalapakī Villas. This abuts the project and in the CDBG document, it was approved, two hundred forty thousand seven hundred eighteen dollars (\$240,718). The meeting is called back to order, so you folks can go back and sit down.

The meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: The CDBG Resolution shows two hundred forty thousand seven hundred eighteen dollars (\$240,718) being allocated for this project. I want to make sure and maybe we can get a communication to Kalapakī Villas before the end of today that is fine. I do not see how they will be able to speak for the tenants, but I am going to ask that we refer this to the Committee so that we can get a response from the Administration and make sure that the Kalapakī Villas Association or whatever it is; is okay with this. I am not going to approve this today and then next week we get the bombardment from them asking, "How come we were not notified? You folks are going to build a path behind our house and we were not even notified." That is going to be my recommendation, but it is up to this body. If you folks want to go ahead and approve it, approve it, but I am not voting for it today because I believe this should have been communicated with all the affected parties. We do not build stuff without letting neighbors know. Further discussion?

Councilmember Kagawa: I just want to say that I am not too concerned about the maps as long as they explain it when we ask for clarification, but I think the maps eliminates the need for them to even come and that is why I support exactly what you are saying. At least something that is clear to the average person out there, the average person that knows the area. We were all clueless and we all live here and we are familiar with the area. I think my time of just rubber-stamping all these bike paths and walkways has ended. As far as the Hardy Street improvements, that has raised for me a red flag in a matter that I think the Council, we need to get the answers so that at least if we ask all of the questions, the public knows exactly what is coming and then we do not have a situation that we have where we have questions

from the public. The taxpayers are the one that demand that at least if you folks are going to do something, let us know what is going to happen so that we know when the construction is done, we know what is happening. I am not too happy that we did Hardy Street and I want to talk about the road directly across from the tennis court and I frequently see cars driving over the curb because that turn is so tight, that we accommodated for pedestrians and walkers. I see cars crossing over the center median because that turn is so sharp and narrow. Many cars travel that road, unfortunately, using it as a short cut to get through the stadium and businesses in that area. While I agree that we want pedestrian/bicycle safety, let us make sure that we also are aware of vehicular safety as well. For this easement, I have no problems. I just wanted to make sure that we have considered the future options as using it for vehicle traffic as well, if the need arises. I do not know how much more housing projects we are going to approve in that area. I know that when the Rice Camp project was approved, a lot of the businesses and residents were concerned because they said that Hoala Street is already substandard. It is already too narrow and they asked why are we adding more housing in that area and what you we going to do to accommodate. They asked if we were going to widen the road so they have room for pedestrian and vehicles in that area and no, I do not believe that road is eighteen feet (18') wide or whatever it is. It looks like it is about ten feet (10') wide or twelve feet (12') wide. Just take a drive down there, Councilmembers, and let us drive on that road and let us see how wide that road is. It is very narrow. If you have an oncoming car, you have to go on the side to let that car pass. Sometimes going on the side means going on the side of private property. There is many needs, yes, we want to accommodate every pedestrian to get to their destination in a shortest manner possible, like a short cut, but the fact of the matter is, in some situations, it does not make sense. In this situation, I am not to judge whether it makes sense or does not make sense. All I know is that if we are talking about schoolchildren, there is not an advantage as far as distance in making a crosswalk there. To me if it makes it more dangerous and we are encouraging children to cross in that area when there is a safer area at the traffic light then I would not like to see the crosswalk. We can make the walking path, fine, but the crosswalk concerns me. I want to have that answers in definitive and more convincing answers as to whether crossing in that area in compared to crossing with a traffic light at the Kalena and Rice intersection is safer or not for the children walking to Wilcox School. We can have that discussion in the Committee Meeting.

Councilmember Hooser: I have confidence in the Administration's judgement and presentation, so I am willing to vote in support of this now, but if it goes to the Committee, that is fine too. Thank you.

Councilmember Yukimura: There is a hundred and twenty (120) plus homes in Līhu'e Court and I think we are going to have almost a hundred (100) elderly homes at Rice Camp. There are four hundred (400) people in Līhu'e Court, they are families, Kalapakī Villas, and townhouses. It is a very populated area so pedestrian traffic is important and we need to facilitate it. I am very pleased that we are going to have a pedestrian/bike access there. I do not think cars will mix. If you allow cars there, forget the pedestrians because it is going to be hazardous. Thankfully, there is not a need for it right now for cars. The on way we prevent a future need for it is by having more frequent transit service along Rice Street, especially for our elderly, so allowing them to get safely to Rice Street will be very important. I think this is a good project basically and I want to see it move forward. I also want to make sure that Kalapakī Villas is notified because they are in adjacent affected party. I do not know that we need a delay, but I understand the Chair's concern and I think it also stems from the fact that there was not a real receptivity to the Council's request for

a decent location map. It does not matter technically whether we have asked for it or not beforehand. It is something that is needed to facilitate both good public decision-making and public understanding of what is before the Council. I hope that the Department of Public Works will look at customer servicing in terms of servicing this Council and that it will be a very willing and I heard that it is willing, but a real acknowledgement of the real legitimacy of our need for that kind of clarity.

Councilmember Chock: I have no problem referring it to the Committee to allow the Villas to chime in if necessary, as long as there is no time restraint on this communication. I will move with the motion. I do think that communication is important. It seems to me the essence of what this discussion is about and an increase of a more effectiveness. I would appreciate that to occur. Thank you.

Council Chair Rapozo: How far are we, BC? Thirty (30) seconds. Did we take public testimony on this? We did not. I am assuming that there will be. Let us take the lunch break now because we have a public hearing at 1:30 p.m.

There being no objections, the Committee recessed at 12:35 p.m.

The meeting was called back to order at 2:11 p.m., and proceeded as follows:

Councilmember Kaneshiro: I am willing to vote for it now and I am willing to vote for it in Committee, so whatever is the choosing of the Council, I am willing to go forward with it.

Council Chair Rapozo: Any other discussion?

Councilmember Hooser: Did we ever get clarity if this was time sensitive?

Council Chair Rapozo: No. I am not sure if this is time sensitive or not. I think the cover letter did say...

Councilmember Hooser: The Administration is here if we want to ask them.

Council Chair Rapozo: It just said, "In order to keep on schedule with meeting the time constraints of the CDBG funding, we would like to have this item addressed by Council at the January 27, 2016 meeting." I do not see the CDBG Resolution...I do not think we have the issue with time constraints.

Councilmember Hooser: Can we ask the Administration what the implications are if this is delayed?

Council Chair Rapozo: Sure.

There being no objections, the rules were suspended.

Mr. Tabata: I am aware that we are opening bids next week and waiting and reply, I apologize for this. Can we take a recess so I can get this right away.

Council Chair Rapozo: Yes, how long do you need?

Mr. Tabata: A couple minutes.

Council Chair Rapozo: Okay. I guess you cannot go out to bid until this is approved, right?

Mr. Tabata: Yes. Well...I need a recess.

Council Chair Rapozo: Okay. We will take the next item.

The meeting was called back to order, and proceeded as follows:

CLAIM:

C 2016-28 Communication (01/08/2016) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Joshua Rowray, for damage to his personal property, pursuant to Section 23.06, Charter of the County of Kaua'i: Councilmember Yukimura moved to refer C 2016-28 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Councilmember Kagawa.

Council Chair Rapozo: Further discussion? Public testimony?

There being no objections, the rules were suspended.

MATTHEW BERNABE: I am just very curious and maybe you cannot answer. How do we find out the particulars about these claims? When I hear the County has to pay for damage to a car and personal belongings, I would really like a website link to go and see the particulars. If the public is paying this then we should be involved with the understanding of what is going on. How does the County damage personal property. I know you folks cannot answer, but I think we are entitled to know exactly what is going down when we make these payouts and if there is, maybe you can address it after I am done, but if there is not, then we really need to address it when I am done. Either way, I just see red flags every time when I see damage and damage. I want to know why we are damaging so many vehicles and so many private properties. Thank you very much.

Council Chair Rapozo: Thank you. Anyone else wishing to testify? If not, I will call the meeting back to order.

The meeting was called back to order, and proceeded as follows?

Council Chair Rapozo: Real quick Matt, number one, you can get a copy of the claim from our Clerk's Office. It is redacted so you will not see the name, but you will see what happened – that is available. As well as the claims that have been settled. The County Attorney does provide us with an update every quarter and that is in open season and the settled claims spreadsheet, you can get that as well. It is open to the public, but you just will not see the names. Any further discussion?

The motion to refer C 2016-28 to the County Attorney's Office for disposition and/or report back to the Council was then put, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

COMMITTEE REPORTS:PUBLIC WORKS / PARKS & RECREATION COMMITTEE:

A report (No. CR-PWPR 2016-01) submitted by the Public Works / Parks & Recreation Committee, recommending that the following be Received for the Record:

“PWPR 2016-01 – Communication (12/08/2015) from Councilmember Yukimura, requesting the presence of the Director of Parks & Recreation, to provide a briefing regarding the Department of Parks & Recreation’s parks maintenance plan,”

Councilmember Yukimura moved for approval of the report, seconded by Councilmember Chock, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

A report (No. CR-PWPR 2016-02) submitted by the Public Works / Parks & Recreation Committee, recommending that the following be Received for the Record:

“PWPR 2016-02 – Communication (01/11/2016) from Committee Chair Kagawa, requesting the presence of the County Engineer, to provide a briefing on the Transportation Investment Generating Economic Recovery (TIGER) Grant, including, but not limited to, the scope of each project and the specific plan to close two lanes on Rice Street in Līhu‘e,”

Councilmember Yukimura moved for approval of the report, seconded by Councilmember Chock, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

BUDGET & FINANCE COMMITTEE:

A report (No. CR-BF 2016-03) submitted by the Budget & Finance Committee, recommending that the following be Received for the Record:

“C 2016-01 – Communication (12/07/2015) from the Director of Finance, transmitting for Council information. the Second Quarter Statement of Equipment Purchases for Fiscal Year 2015-2016. pursuant to Section 17 of Ordinance No. B-2015-796, the Operating Budget of the County of Kaua‘i for Fiscal Year 2015-2016,”

Councilmember Yukimura moved for approval of the report, seconded by Councilmember Chock, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

Council Chair Rapozo: Mr. Tabata are you ready? Let us go back to C 2016-27.

There being no objections, the rules were suspended.

Mr. Tabata: There is some time sensitivity, however, we need this Legal Document approved to assign the contract and the bid opening, because

the funds were approved for use, the bid opening is next week, but we cannot assign a contract per the County Attorney's Office until we get this Legal Document completed.

Council Chair Rapozo: Thank you.

Mr. Tabata: Can I also add that I did distribute a better site map and if there are any questions to that and confirm that that is the type of document/map that you are looking for.

Council Chair Rapozo: This is exactly what we are looking for.

Mr. Tabata: Okay. In the future, I can make sure that we do a better job.

Council Chair Rapozo: Thank you, Lyle.

Mr. Tabata: I appreciate your feedback. I went back and tried to gather up whatever we had on-hand and I believe that clearly states what we are asking for.

Council Chair Rapozo: Thank you. This is exactly what we are talking about.

Mr. Tabata: Okay. Moving forward I will monitor and make sure whatever comes to you, is of that quality.

Council Chair Rapozo: Okay. Thank you.

The meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: The Council had already approved the crosswalk traffic resolution and it still does not mean that we cannot ask the questions, is what I am trying to say. Right now we are being asked to approve the right-of-way easement, but if we do not approve this then the crosswalk is not happening, right? There will not be a rationale for the crosswalk. I think it is our job to ask the questions when we see a trend of the Department of Public Works going forth with projects or construction that seem to not turn out as successful in all areas that we have been told in the past. I am talking about Hardy Street improvements where some people are happy and many people are not. I just wanted to say that we are doing our jobs when we ask these questions. It is not about acting like we are micro-managing and knowing more about how to do these projects more than the Department of Public Works, Engineering Division. Thank you.

Councilmember Yukimura: The motion on the floor is to approve.

Council Chair Rapozo:

Correct.

Councilmember Yukimura: Given what the Department of Public Works has told us, I think we need to move this ahead. I appreciate Mr. Tabata's providing these maps and the acknowledgment of our need for it. Thank you for that. I trust that the Department of Public Works will also expedite communication to Kalapakī Villas so that they are informed. Thank you.

Council Chair Rapozo: Any other discussion? Let me just say, the fact that the Administration waited a week before they went out to bid for approval is not the public's fault. It is not the residents of Kalapakī Villas fault. Kalapakī Villas, if you look at this map, really makes it clearer to me that they need to be informed and participate in the discussion. I do not want to pass this and tell them, "Oh, by the way we are building a ten foot (10') path right alongside your property and the Council approved it, therefore we are going to move forward." I do not like that tactic and I have seen this so many times that, "This is time sensitive," and the fact that it is time sensitive...no, it just means that we are going to delay. We are going to delay the bid another two weeks. That is what that means. The fact that it is time sensitive and forced in our hands to approve something that we are not really comfortable with, that is not appropriate. That is not responsible. I really do not care if it is time sensitive. If it was time-sensitive then they should have submitted this a month ago. The resolution for the funding of the CDBG funding was approved on April 8, 2015. April 8 is when this Council unanimously supported the funding for this project, April 8, therefore there was ample time to submit the request for the Council approving of the Legal Document. Just because the Administration has a project and said, "We are going out to bid on next week's..." that means you have to support it. No, that is not a good precedent to set. The precedent to set is, we are going to refer this to Committee, answer all the questions that any Councilmember may have, and then we will take the appropriate action. We represent the people at Kalapakī Villas too. They have a community association or a neighborhood association and they have not been informed. This is a major project, a two hundred forty thousand dollars (\$240,000) project that we are going to putting right alongside their property. For me, it does not matter because deadlines are deadlines and I can understand, but to come and expect the Council to approve this on one hearing, one day, just because we have a date that we are going out to bid...than no need Council. Council should just ask, "When is the time sensitivity?" "You need to approve it because we have to go out to bid next week." "Okay, then we have to approve." No, that is not how we do business. I still have questions. I still have concerns and I think many of you do. Councilmember Kagawa characterized it as "rubber stamping the legal documents" early on in his testimony. Historically we have trusted the Administration and have gone through the process and then we would expect everything to work out. I will ask Councilmember Kagawa this, what they are planning to do on Puhi Road, was that what you thought they were going to do? No, but we approved it. Hardy Street, is that what you thought we were going to do? No, but we approved it. The Kawaihau Road project, the big six (6) to eight (8) roundabouts, did we really know what they were going to do? No. This project, do we really know how Kalapakī Villas feel and what they believe and how they will respond or react to this? We do not. Is it responsible to say, "No problem, sorry Kalapakī Villas, but we had to." No, we do not have to do nothing on this Council. You said it earlier, Councilmember Kagawa, those days are over. We have to start asking the questions, making sure the public understands completely what these projects are before we say yes, because then we end up with this – what is going on with Hardy Street, which I am not pleased at all. But when you look at the record book, guess what, I supported it and I am not very

happy about it. I am going to still entertain a motion to refer this to the Committee and I would hope that the Administration can make contact with the association of owners at the Kalapakī Villas and we can get some sort of response from them.

Councilmember Kaneshiro: Council Chair, I am all in agreement and I think we should probably put the maps up now if we have the chance to so that people can see it. I was wondering if we are able to just, based on the timing, defer it and have it at the next meeting and have them do the outreach or do we have to put it in Committee and then it will be like a week to get it to the full Council.

Council Chair Rapozo: The end result will be the same. The action will not be taken until the next Council Meeting in two (2) week. Whether or not we split it up and have it in Committee, the only reason I wanted it in Committee is that we can have that opportunity to ask questions and discuss the issues with Kalapakī Villas. At the end of the day, the result will be the same. The vote will be taken in two (2) weeks.

Councilmember Kaneshiro: Thank you.

Councilmember Yukimura: I would like to ask the Administration the exact impact on the bid process. Is it something they can...when they open the bids still defer or delay whatever action was necessary or will it jeopardize the whole bid process and they have to go out to bid again. I think we need to know that.

Council Chair Rapozo: If you want to know that, we can bring them up. For me, it does not matter what that...

Councilmember Yukimura: I think full information would be best.

Council Chair Rapozo: We can do that. I will suspend the rules again. I am just saying that it really does not matter. If we have to throw away that bid and start all over, that is the only way that the Administration is going to understand that we are not just a "rubber stamping" desk. We are not here to just say, okay, because it is time sensitive, we will approve, but if you want to hear it, we will suspend the rules.

Councilmember Yukimura: While they are coming up I want to say, actually if we approve and move it out to the full Council Meeting and they are able to contact Kalapakī Villas before our Council Meeting next week, if there is a problem we can still refer it to Committee, but if not, we can pass it in the Council Meeting next week.

Council Chair Rapozo: Okay, your scenario takes us to the Council, if there is a problem we will refer it to Committee, that is two (2) weeks plus one (1) week and then back to Council, that is four (4) weeks.

Councilmember Yukimura: That is two (2) weeks again. It is still to the second Council Meeting.

Council Chair Rapozo: My suggestion will take it to the Committee to clarify any problems...therefore in two (2) weeks we would vote on this matter.

Councilmember Yukimura: Right. It is either...

Council Chair Rapozo: So, yours is four (4) weeks and mine is two (2) weeks.

Councilmember Yukimura: It is either one (1) week or three (3) weeks.

Council Chair Rapozo: I told you what my suggestion was. Go ahead, you can ask the question to Mr. Tabata.

There being no objections, the rules were suspended.

Councilmember Yukimura: What are the consequences of delaying this for two (2) weeks? Actually, it will be three (3) weeks. If we defer it in Committee to the next Committee Meeting, then it will be three (3) weeks for final approval.

Council Chair Rapozo: Two (2) weeks.

Councilmember Yukimura: Three (3) weeks.

Council Chair Rapozo: Councilmember Yukimura...

Councilmember Yukimura: Two (2) weeks...please...two (2) weeks to the Committee Meeting.

Council Chair Rapozo: One (1) week. Next week is Committee. The following week is Council. It is two (2) weeks. It has been that way since...

Councilmember Yukimura: Excuse me...okay.

Council Chair Rapozo: You making me sound like a bad person.

Councilmember Yukimura: I apologize.

Council Chair Rapozo: I am just saying that it is one (1) week to Committee and one (1) week to Council.

Councilmember Yukimura: It is not making you sound like a bad person. It is just that I am confused and I apologize. Go ahead.

Mr. Tabata: Mr. Moule will describe the process that we are presently in right now.

Mr. Moule: We are in a situation where two (2) weeks should not be a problem at this point. Since this morning, during the lunch break, I have talked to the County Attorney's Office about it, and the understanding is, but not a final opinion from them yet, but the initial sense is that we can open the bids and start negotiations as long as we do not enter into a contract until we actually have the easement in place. We would not be through that process within about two (2) weeks anyway, so we are okay if we can get this heard and voted on in two (2) weeks and if you decide to vote no, we will cancel the project. If you vote yes, we will move forward. The reason we are in this time crunch is because CDBG funds have a very short timeframe to be spent. The Council approved the resolution to appropriate these funds in April of last year or this project and we are only nine (9) months later...

Councilmember Yukimura: What is the deadline for CDBG?

Mr. Moule: We need to start expending funds in March.

Councilmember Yukimura: Okay.

Mr. Moule: We are aiming for two (2) to three (3) weeks from now being able to go to contract and start doing construction and get this on the ground.

Councilmember Yukimura: Okay, very good.

Mr. Moule: We should be able to make this work with two (2) weeks.

Councilmember Yukimura: Great.

Mr. Moule: It would be easier if it were now, but obviously, two (2) weeks will work at this point. We believe that is the case.

Councilmember Yukimura: Great, thank you.

Council Chair Rapozo: Thank you.

The meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Further discussion?

Councilmember Yukimura: Is there a motion to refer?

Council Chair Rapozo: There is a motion to approve. We need to act on that first.

Councilmember Yukimura: No, the motion to refer supersedes the main motion to approve.

Councilmember Yukimura moved to refer C 2016-27 to the February 3, 2016 Public Works / Parks & Recreation Committee, seconded by Councilmember Chock.

Council Chair Rapozo: Sorry about that, we did not have public testimony.

Councilmember Yukimura withdrew the motion to refer C 2016-27 to the February 3, 2016 Public Works / Parks & Recreation Committee. Councilmember Chock withdrew the second.

There being no objections, the rules were suspended.

Mr. Bernabe: Sorry, I want to speak on this issue. I would like to thank the Chair, Mel Rapozo, for advocating for the people because what I am listening to right now from some of the Councilmembers and from the Administration is, "We do not care about due process. We need to fast-track this and make it like the bike path on Olohena." Do you even realize how many people are watching this? Do you folks understand how mad you are making the public? You were going to sit here and worry about fast-tracking possibly bad decisions all in the name of keeping the money and yet, we just sat here three (3) weeks ago, an after-the-fact resolution on a bike trail that never went to public meeting, did not have any due process, and we let them get away with it. Mel, you are the man and if anybody votes on this, to even...I tell you folks, this whole project should be scrapped because nobody I talked to right now is even liking the idea that these folks are talking about. I have been verbally, writing it all of what you can say to expose what is going on here and let me tell you that my feedback is not the same of what you folks are getting back. You folks look horrible when you sit here and use the language, "Is there a time constraint?" No. Here is the constraint. They are not doing due process. That is the problem. I do not care what timeline you folks are running on. If this has not gone to the community that is being affected, just like the bike trail by my roundabout, these folks need to get replaced and how do we start that petition. We need better Engineers and we need some better Planners, I am sorry. I am not going to be nice when these folks come up here and jerk us around, "We need to do this..." come on...you folks look like elementary students. If

my high school student came up here with that map earlier and try to rebottle and argue why they justified it...goodnight, the iPhone is gone.

The meeting was called back to order, and proceeded as follows:

Councilmember Yukimura moved to refer C 2016-27 to the February 3, 2016 Public Works / Parks & Recreation Committee, seconded by Councilmember Chock.

Council Chair Rapozo: Further discussion?

Councilmember Yukimura: Yes, Council Chair. Mr. Bernabe, it was not about keeping the money, but it was about keeping what is basically a good project that is supported by a low-income project of four hundred (400) families. I was the one who raised the question about whether Kalapakī Villas has been...sorry we cannot listen to each other, but whether Kalapakī Villas had been consulted. I believe they should have and I believe the Department of Public Works will be consulting them. It is true that it should not have taken a Councilmember to point that out, but the project is not something that I would like to see jeopardized. I think more pedestrian friendly and safe walking ways is very important to this community. Process is important and I do think the Chair has made good points about that and I think the Department of Public Works has gotten the word about that. We are all trying to do that right thing and find the best way to handle what is before us today at the point that it is before us right now.

Council Chair Rapozo: Thank you.

Councilmember Hooser: Since we are not permitted by rule to engage the speaker, this is the only opportunity the rebut comments that are made. I just wanted to point out that it is responsible for us and our duty to request from the Administration the repercussions of actions that we may take here. Therefore, if we are taking an action that is going to delay something that they are doing, I think the responsible thing is to ask them, "What are the implications of this delay? Will that delay cost us money? Will that delay cause us to go to Court? What are the implications of that delay?" That is what the question that was asked and the response that came forward was, "it is okay," and now we are making our decision. To not ask the Administration for the consequences of our actions when they are here, I think would be irresponsible. I am pleased with the decision to move forward. The Administration seems to work for the Administration and it seems to have the support of a majority of the Council. Thank you.

Council Chair Rapozo: Thank you.

Councilmember Chock: Here are my remarks – the drama has to go. Let us get to business and problem solve.

Council Chair Rapozo: Anything else?

The motion to refer C 2016-27 to the February 3, 2016 Public Works / Parks & Recreation Committee was then put, and carried by a vote of 6:0:1 (*Councilmember Kualii was excused*).

Council Chair Rapozo: Motion carried. Next item.

INTERVIEW:

PLANNING COMMISSION:

- Glenda Y. Nogami Streufert (At-Large) – Term ending 12/31/2018

Council Chair Rapozo: Hello Glenda, welcome. As you know, you are here for your interview for the Planning Commission. I am going to allow you a few minutes and give you an overview of yourself. You are no stranger for most of us here and then we will open it up for some questions from Councilmembers. With that, if you could state your name for the record and proceed with your introduction.

Ms. Nogami Streufert: I want to thank you for the support that you have given the Civil Defense Agency while I was there. I was born on Lānaʻi. At the time, it was the world's largest pineapple plantation so I worked in the fields before I went to Purdue University and got my PhD (Doctor of Philosophy). Since then I have been working for the Army Research Institute for the Behavioral and Social Sciences as a Psychologist. Doing research on organizational development and organizational planning as well as some strategic planning. Then I went to the Army Work College as a Professor and the Director of Educational Research. I did implemented strategic planning and taught strategic planning there. From there I went to the Immigration of Naturalization Service (INS) in Washington D.C. where I headed up the Workforce Effectiveness in Planning Group where we did personnel research as well as organizational development and strategic planning for development. When INS became part of Homeland Security, I was recruited to go to the Department of Homeland Security at the capital region and did the same kinds of things there that we have done for INS. Following that I went to the Army Management Staff College as the dean of academics, which is the school for army civilians, there were two hundred thirty thousand (230,000) army civilians at that time and that is their leadership school. Following that, I retired and came to Kauaʻi and we have been living on Kauaʻi in Kalāheo for the last eight (8) years. Between November 2013 and December 31, 2014, I was asked to be the manager for the Civil Defense Agency. Just to let you know a little bit of the kinds of things that we did there at that time and I am sorry that I did not come back and tell you about it because some of your funding for the Civil Defense Agency was helpful. Between November 1, 2013 and December 31, 2013, we had nine (9) flash flood warnings; three (3) of them in the first week that I took office. We had

an 8.2 earthquake in Chile with a tsunami advisory as well as an Alaska earthquake. We also had three (3) hurricanes or tropical storms, actually 2.5, because it was Julio and Iselle at the same time and Anna. In order to be more prepared one of the kinds of things we did was we put a lockbox with supplies across the river in Hanalei to ensure that the Red Cross would not always have to bring a trailer from Kilauea over to Hanalei every time we had a flash flood warning or there was a possibility that we would be closing the bridge. That is already there and it has been there with an agreement with the Department of Education, Hanalei School, with the Red Cross, and the Administration. We also had two (2) options that we were looking at and I am not sure about the status because I must admit that I have not followed it through. I think that you got a very good and competent group of people who are working at the Civil Defense Agency, so I have not been keeping up too much on it. They have a Westside tsunami holding area should there be a tsunami on the Westside. Kokee was one of the possibilities, so we brought a tent that could be easily setup. It is wind resistant up to about forty-five miles per hour (45 MPH), but not more than that. It is not for a hurricane, but it is for tsunamis and it has been tested for use for ease of setting it up and pulling it down by the Fire Department. We are also looking at an agreement with Dow Business to utilize some of their facilities as a temporary holding area because that is higher and it would be out of the way. There was a tsunami modeling that was done and it was all of the areas where we would be closing off the evacuation routes and the areas that would be closed off were identified and put into the phonebooks. In addition to that, about a half a year after that, we found out that there was a new modeling, the Greater Allusion Tsunami Modeling that would have been a much larger tsunami than was originally anticipated. That kind of modeling was also done, evacuation areas were also identified, and the Police Department was working with it, everything was ready for that should that ever happen. Civil Defense is sort of like the Military; you train a lot. You hope it never happens, but if it does, you are ready for it. One of the kinds of things that we had was we had a lot of exercises. There was (inaudible) Iniki, which is a tsunami exercise, we had Makani Pahili, which I think you all knew about, it was a hurricane as well as a disaster catastrophic hurricane exercise that hits all the islands. We had a CSD hostage and hazardous material exercise, as well as an Ebola tabletop exercise; we were trying to do all of them. We did a lot of training here and we got a mitigation plan update that we put into contract while I was there because without an updated plan, we would not have been eligible for any Federal Emergency Management Agency (FEMA) funding, if it had not been ratified before August 2015 and that was done. We have activation plans and protocol checklists for flashflood warnings. One of the things that also happened was that we had large pallets of Meal, Ready-to-Eat (MRE) that came during Iniki. They had been outdated as of the early 2000s, but we could not have gotten rid of them because if we had gotten rid of them, we would have to pay for them unless they were ratified as not being edible and so we had to have that done. That was a whole process to get it done. We have also started a preliminary context and arrangements with Mennonite Disaster Services so that should there be a disaster here, they were willing to come over on their own dime, with their own equipment, except for heavy equipment, and they would rebuild certain homes for us

for the people who could not afford it, primarily for the elderly. In addition to which we have a lot of communication things that were done. We upgraded the radio system, the State also upgraded all of the siren systems and we added new sirens so that we are better prepared.

Council Chair Rapozo: Glenda, I do not want to be rude and I do not want to interrupt you, but today's discussion is an interview for the Planning Commission.

Ms. Nogami Streufert: Right.

Council Chair Rapozo: I understand what you are going through and it is very interesting and I would like to listen, but I have to reel it back to your application for the Planning Commission.

Ms. Nogami Streufert: I appreciate that. What I wanted to do with this is to tell you that the Civil Defense Agency really has been working very hard and they are a very competent group of people and I appreciate all of the support that you have given them and to let you know that they are really working even on non-disaster times.

Council Chair Rapozo: Okay. The Sunshine Law allows us to discuss only what is on the agenda. I would just ask Councilmembers that the questions be limited to the application going for the Planning Commission. With that, any questions of Ms. Nogami Streufert?

Councilmember Hooser: Are you with the Civil Defense?

Ms. Nogami Streufert: No, I am not.

Councilmember Hooser: Okay, that is what I thought. Could you talk a little bit about your philosophy or your values with regard to long term planning and growth issues on Kaua'i, since that is the area that you will be working.

Ms. Nogami Streufert: I think the General Plan is laid out pretty well where we are going and it goes into the year 2020. It seems very sound because it is looking at the balance between the environment as well as the business interest and the residents and the visitors that we would have on the island. There is also some pretty good guidelines as to how decisions should be made and what you are looking at as far as different kinds of environmental factors to ensure that you have open spaces and great vistas, if you will, because that is one of the advantages of Kaua'i. But also looking at the same time as managing growth, not necessarily stopping growth because you really cannot stop that, but you can manage it and how will you do that. There are some guidelines in the General Plan. I believe everybody wants the same kinds of things

which is a sustainable island that is very livable for everyone. I think we might have differences as to how we are going to get there, but that is what the Planning Commission and the Planning Department and the Council as well as the Administration all have a role in trying to come up with a plan that everybody can live with.

Councilmember Hooser: Thank you.

Councilmember Yukimura: Thank you for your service to the County. You accomplished a tremendous amount in a very short time and you come with a very stellar background. What is your vision for Kaua'i?

Ms. Nogami Streufert: I look to the General Plan for the vision because I think that is very stable and well thought out. I think it is in Chapter 2 and I have read the whole thing. It follows the whole concept that we have limited resources on Kaua'i and one of our major resources is our environment and the kind of lifestyle that we have. I am trying to listen to the people at the same time that I am trying to make sure that we are doing everything we can to ensure that this is the kind of place that you want your children and your grandchildren to live in and to be able to sustain themselves and to live a good life.

Councilmember Yukimura: What role do you think affordable housing plays in a sustainable/livable vision?

Ms. Nogami Streufert: I found that an interesting concept because affordable housing sounds a little bit hard because it is pretty expensive from my perspective, but yes, we have to have affordable housing. I am not sure what the specific details would be. I do not think one can make a broad statement about any kind of issue without really looking at what the issue is and identifying on a case by case basis and looking at all of the facts. It is really not one person that makes a decision. It is the Commission that makes the decision or provides that kind of information to the Council and it is a shared kind of vision that we all have. I would look at it on a case by case basis because issues are very different.

Councilmember Yukimura: In our General Plan though, should we not have a clear vision for how affordable housing will be provided?

Ms. Nogami Streufert: I do not think I have seen that in the General Plan, but if that is the case then that maybe something that the Council and the Planning Department might want to participate in and to have the community participate in that also because there are financial consequences with that.

Councilmember Yukimura: Well the Planning Commission is a decision maker in the General Plan process. In the Lihue Community Plan and in the South

Kaua'i Plan, which were recently passed, there were not very strong policy statements about affordable housing. I am wondering whether you will take it on as a Planning Commissioner to...if you think affordable housing is and should be part of the vision for the island then make sure that there are good policy statements in about it. You are right, it will take a lot of research and understanding about how communities provide affordable housing, but I think it also would require an understanding of what a community is like if it does not have affordable housing.

Ms. Nogami Streufert: Point taken. I am sure that the Commission as well as the Planning Department might be interested in looking at that.

Councilmember Yukimura: So the planning for an island covers a lot of area and I am just wondered if you would be willing to open to training opportunities that might come up for Planning Commissioners.

Ms. Nogami Streufert: Could you be more specific about that?

Councilmember Yukimura: There are some major conferences where one can learn about the issues and connect to people, see how other communities are addressing the issues. It is quite a steep learning curb to be a Planning Commissioner and so that is the basis of my question.

Ms. Nogami Streufert: If there is one thing I like is to continue to learn. That is not an issue. The question is really one of whether the Commission...if that is the role of the Commissioner...how that will work, but we can talk about that later.

Councilmember Yukimura: I think they do provide for training. There are moneys in the budget for training of Planning Commissioners.

Ms. Nogami Streufert: Okay.

Councilmember Yukimura: Thank you.

Councilmember Chock: Thank you, Glenda, for your interest in serving. You are probably aware that we are in our current update for the General Plan. I would like to hear from you, in your perspective, what you would like to see change in the new plan or focused on more.

Ms. Nogami Streufert: Maybe it is so recent in my experience at this point, that a little bit more about the disaster planning preparedness might be useful in there. I think Mr. Dahilig and I have had this discussion before. I think he knows that would be one of my concerns because there is only one (1) road around the island and we have many Albizia trees on some of these roads and we know that is a problem.

So, different ways of dealing with issues that we know we can mitigate now, ahead of time, before it becomes an issue.

Councilmember Chock: Okay. Thank you.

Council Chair Rapozo: Any other questions for Glenda? If not, thank you very much. I appreciate your willingness to serve. Your resolution will come up next Council Meeting.

Ms. Nogami Streufert: Thank you for your time.

Council Chair Rapozo: With that, can we have the next item please?

RESOLUTIONS:

Resolution No. 2016-13 – RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE PLANNING COMMISSION (*Louis E. Abrams – Business*): Councilmember Hooser moved for adoption of Resolution No. 2016-13, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Any discussion?

Councilmember Yukimura: I see Mr. Abrams in the audience. Could you have him come forward?

There being no objections, the rules were suspended.

Councilmember Yukimura: I am sorry I did not get to call you earlier, but there were some complaints from the community about how you handled the transient vacation rentals (TVR) issue. I believe you were on the Planning Commission. The issue of TVRs in the Kukui‘ula area.

LOUIS E. ABRAMS: Yes.

Councilmember Yukimura: I just wanted to hear your answers to those concerns.

Mr. Abrams: You mean with the South Kaua‘i Community Plan?

Councilmember Yukimura: Right.

Mr. Abrams: While I was on the Planning Commission, that had already gone to the Council.

Councilmember Yukimura: No, I think it happened at the Planning Commission level.

Mr. Abrams: Yes.

Councilmember Yukimura: It was proposed in the South Kaua'i Plan, if I am correct.

Mr. Abrams: Yes, at some point, yes.

Councilmember Yukimura: It came to you with a visitor destination area (VDA) extension of that area and was taken out by the Planning Commission, I think.

Mr. Abrams: Yes.

Councilmember Yukimura: The community claimed that...or certain members of the community that you had told the Planning Commission that the community had been consulted with, but they had not been and I do not know the story, which is why I am asking you.

Mr. Abrams: Okay. I never spoke to the Planning Commission at that point, at the very first hearing of the bill. Those objections were raised. Respect to the people who were raising them and understanding that there are differences of opinion, I did not testify throughout the Planning Commission. I let them make the decision. The actual recommendation came during the process of reviewing the development plan where I was of the opinion and spoke to our members that were there as well as the Planning Department and consultants in regards to the issue with the fact that we are a resort area, in general. And that there are many properties down in that area that were in the vacation rental mode through basically TVR certificates that were obtained from the 2008 ordinance. A lot of them who have been paying taxes and things like that had asked why and asked if it were possible to be in the VDA and I told them that that would be up to the Council. In looking at that and also looking at something that was maybe a little bit outside the planning, but was from the standpoint that the...and I think I spoke to that when I interviewed with you in regards to...

Councilmember Yukimura: Yes, I think I missed that.

Mr. Abrams: ...the revenue part of it. It is a big producer of revenues whether the County can pay its bills and do their thing. I thought at that point since it was substantially in that that there were areas in there that should be in the VDA. That was initially embraced by the Planning Department and the consultant and then there were some downsizing of that, particularly in the Ho'ona Road area, and then it went to the Planning Commission.

Councilmember Yukimura: During this whole process, you were not yet on the Planning Commission?

Mr. Abrams: No.

Councilmember Yukimura: Okay. So, you were just a citizen at that point.

Mr. Abrams: Yes.

Councilmember Yukimura: And you were an advocate of a certain position.

Mr. Abrams: Yes.

Councilmember Yukimura: But you were not in any way in an official decision making role?

Mr. Abrams: No. Well, I mean to a certain extent, I guess, from a standpoint of launching the plan, those people who were on the Citizens Advisory Committee who were in viewing it.

Councilmember Yukimura: Oh, you were on the Citizens Advisory Committee at that time.

Mr. Abrams: Yes. I was involved with the vote to send that on after going through all of the work that we did on that whole area.

Councilmember Yukimura: I thought the Advisory Committee was advisory only and did not take any votes.

Mr. Abrams: Well there has to be consensus, I guess, at that point. I know that we did take votes on some things that were there, but basically, we were advising at that point. Maybe it was not official, but it was something to the effect of getting input one way or another.

Councilmember Yukimura: Okay. I think I understand. Thank you.

Councilmember Chock: Thank you, Mr. Abrams for being here. I just wanted to first thank you for all your time and service in the Planning Commission.

Mr. Abrams: Yes.

Councilmember Chock: I read the transcripts and watch whatever happens there because I am the Planning Committee Chair.

Mr. Abrams: Yes.

Councilmember Chock: I just wanted to come in. I just wanted to thank you because I think you have provided some thoughtful insight in the process. I want to move forward with your approval for today on my side and I do want to just because there have been some issues that have up for both our Council and on your behalf to clear those. I have some questions that I just wanted to ask you.

Mr. Abrams: Sure.

Councilmember Chock: Your role or employment is within the Real Estate industry, is that correct?

Mr. Abrams: Well, it is a business appointment.

Councilmember Chock: I am just wondering if you could expand on that so I understand your role in your business.

Mr. Abrams: My role is that. I bring to that business perspective, my experience from being a Real Estate Broker and Real Estate Commissioner. I would say probably from the Real Estate industry the standpoint of dealing with the developers who are developing in that area on behalf of the

community association and as a vacation rental manager where I handle the properties in the Po'ipū area.

Councilmember Chock: Thank you. When it comes to that Real Estate position, have you had or been a part of any issues relating to the Kōloa-Po'ipū region in which you have also had overlap with the Planning Commission and any decision process?

Mr. Abrams: Well, there are general things. One that probably showed up the very first time when I came in had to do with the proposal by the Knudsen Trust to go ahead and change their access from cross the Hapa Trail and coming out in that area, yes, I was involved in that and voted to approve it.

Councilmember Chock: Now, also, to just get this one out of the way, have you benefited financially directly/indirectly in any way through your role or making some decisions on the Planning Commission during your tenure?

Mr. Abrams: No.

Councilmember Chock: Okay.

Mr. Abrams: I cannot think of anything. It just sort of...comes as a process that goes through. I know as a Real Estate Broker that we had some tough issues coming out of 2008 and was directly involved with it because I had rental units. The perspective has rolled into the situation where we are going into homestays, which you are in now. I do not handle any homestays and in effect I do not handle any properties that do not...I mean they are in the VDA or they are not and they have a certificate. I do not have any that could have been approved since 2008, since it is not allowed outside, but basically it was more of a process to deal with and have come to realize through that whole process, that there are different opinions and perspectives of how to go about doing that. Much of it, which I recognize the fact these all end up here with the Council and that I believe a number of you, I have spoken to relative to the plan, the South Community Plan, and let the people who were not directly involved say what they wanted to say and have you folks make your independent position and left it at that. That was shortly after I got on the Planning Commission that most of that discussion started here at the Council level.

Councilmember Chock: I know how difficult it is since we live on such a small island and our paths and roles overlap very easily.

Mr. Abrams: Yes.

Councilmember Chock: It has been my experience in the last year that I have been here that Ethics Commission has been really stringent upon how they have viewed some roles. I just want to say that I am going to be supporting you and I want to thank you again for it. I do think that there should be caution...and this is a message for all of us, that the way the Ethics Commission is ruling on some things that are related to and should be...like for me for instance, there was one item that came up for the Waipa Foundation recently of which I just took a proactive approach a head of time for a ruling. I am not on the Board, do not receive any financial gain from it, and there was a conflict. I think that is sort of the things that I thing foresee coming from the commission and the community.

Mr. Abrams: Perhaps I should have a standing one where I am in the Real Estate business, I guess, at that point.

Councilmember Chock: Tattoo it on your head.

Mr. Abrams: That was on my disclosure so they have that information. Generally, I have not dealt with that in all of my roles whether it is with the State or the County.

Councilmember Chock: Thank you. That is all questions that I have, Chair.

Councilmember Yukimura: I just want to be clear, when the South Kaua'i Plan was before the Planning Commission, you were not yet on the Planning Commission?

Mr. Abrams: No. No, I was not.

Councilmember Yukimura: So, you did not vote on the South Kaua'i Plan as a Planning Commissioner?

Mr. Abrams: No.

Councilmember Yukimura: Okay. I do have one other question. It is regarding the Coco Palms docket, which the Planning Commission approved as a zoning and I think a Special Management Area (SMA) permit as well.

Mr. Abrams: I believe so, yes.

Councilmember Yukimura: In Ordinance No. 860 it says, "the workforce housing assessment for any project subject to this chapter shall be resolved with the Housing Agency prior to zoning permit approval." I am not clear that the Housing Agency had resolved or that the Planning Commission determined and made sure that the Housing obligation with Coco Palms was resolved prior to the Planning Commission's vote on the permit.

Mr. Abrams: Okay.

Councilmember Yukimura: Can you clarify whether it was?

Mr. Abrams: I think so because yesterday we had a discussion with the developer in regards to some of the issues relating to the permit itself. I did bring up the issue. My understanding was that before we made that vote that they did have some housing that they were proposing right in the immediate area for employee housing. The condition that was in there was a conditional one for getting further permits, which had to do with resolving with the Housing Agency. They have not receive any more permits at all. Frankly, they are still waiting for their financing to come through. They anticipate that coming in shortly. We have scheduled them back up for the end of February and the Planning Director has made that perfectly clear that come our next meeting in February, he will introducing a notice to show cause if these things have not moved on as to why the Planning Commission should take on the issue of whether or not the permit should be revoked. I do not know whether that gives you any more clarity with it, but a lot of these conditions that come through with these are things that still have to be worked out

after the Planning Commission gives that. It is not in advanced other than...I do not believe there were that much specifics or a question as to whether or not they did have housing conditions on it because of the permits that were approved substantially before. They did make the decision that yes, there was.

Councilmember Yukimura: Who made the decision?

Mr. Abrams: The Housing Agency.

Councilmember Yukimura: Made what decision?

Mr. Abrams: That a housing assessment would need to be made and a determination as to what type of additional housing. The additional housing that was talked about at that point was the employee housing that they had...

Councilmember Yukimura: Okay, so I am going to request a...and the Planning Commission could request as well, a legal interpretation, but my reading of this law and ordinance is that resolve means there has to be a housing agreement between the Housing Agency and the developer as to exactly what their housing obligation involves. How many units? Whether they are going to be permanent/affordable. What income groups they will be for?

Council Chair Rapozo: Councilmember Yukimura. I think you would agree that you are going way beyond the...

Mr. Abrams: Well, I do not mind the passing that along to the Planning Commission.

Council Chair Rapozo: I do not mind the discussion if that is on the agenda, but right now, it is a resolution to appoint you.

Councilmember Yukimura: Yes.

Council Chair Rapozo: It is not even an interview.

Mr. Abrams: Yes.

Council Chair Rapozo: We had that already. This is not an opportunity for us to tell you what...

Mr. Abrams: Yes.

Council Chair Rapozo: It is not an affordable housing workshop. I hate cutting people off, but this would go on forever. Today is your resolution for your appointment. If you have specific questions of Mr. Abrams, his positions of certain things, I do not have a problem on that.

Councilmember Yukimura: Okay. If you are reappointed to the Planning Commission, will you commit to making sure that our housing requirements are tied down? As you know, the leverage point is prior to permits and there is no other discretionary permits passed special use.

Mr. Abrams: Yes.

Councilmember Yukimura: The County loses all leverage if it does not have...and I believe the law requires it, but I am hopeful that you as a Planning Commissioner and the Planning Commission will take it to consideration because it will affect whether we are able to provide affordable housing for our people.

Mr. Abrams: Yes, I understand.

Councilmember Yukimura: Thank you.

Councilmember Kagawa: Thank you for being able to serve for another term. How many terms have you served on the Planning Commission?

Mr. Abrams: Well Mayor Yukimura appointed me for three (3) years in the 1990s.

Councilmember Kagawa: Okay.

Mr. Abrams: And then I just completed the first year filling in for I believe it was John Isobe. So this is for a three (3) year term.

Councilmember Kagawa: So, you had four (4) and then this will be for an additional three (3)?

Mr. Abrams: Yes.

Councilmember Kagawa: Based on all of your years that you served and comparing it to this past year, which I think there are a lot of hot topics coming up because you had numerous Bed & Breakfast applications. Do you see it as more stressful than...

Mr. Abrams: Yes. We have had some big issues that we learned, actually it came back at the last General Plan when we wanted to go ahead and deal with vacation rentals and that seems to be the major topic. In effect, the Council has moved ahead in getting that addressed. As a result of that, we have dealt with many of the issues dealing with what you are dealing with now, which has to do with a lot of people had misunderstandings about the homestays. I think the Planning Department handled it very well. It is not something that it was going to be a "buddy-buddy" type of thing, but they handled it professionally and they carried out what I believe is the intention of this Council in order to follow through on it. We are getting through those issues and getting down to the major things that this Council wanted to do back in 2008 which is to stop TVRs outside of the VDA, to address the B&B which is called the homestay and deal with that. We made some changes and it was limited to ten (10) permits initially because we were afraid of an avalanche of applications because there were all kinds of beliefs that were passed on since those days. Many of which I am well aware of and people who were coming in were heartfelt and it was hard, but that is what this body, the Mayor, and the Planning Department wanted to do. It is stressful and now we are being passed that and now we will deal with what I envision to be the illegal ones.

Councilmember Kagawa: Some of the public just watches the Council Meetings and others watch the Planning Commission Meetings. How many hours on a typical week would you say you spend preparing for a meeting and during a meeting, et cetera?

Mr. Abrams: Well our meetings are every two (2) weeks and that can go for the day; sometimes it will go into the evening. We get the packet on a Friday for a Tuesday meeting. I am still old school, I have to print them all out and read them, so that takes the weekend of doing that. I probably spend a good four (4) hours over the weekend doing that and then thinking about them and getting into the meetings. I would venture to say on a meeting week, probably about ten (10) to fifteen (15) hours of work that goes in per meeting.

Councilmember Kagawa: Do you find that yourself or other members of the Planning Commission on these hot topics follow some of the hot button issues that come from you to the Council and then go back such as when we are asking the Planning Department to come up with some estimates as far as how many illegals are out there. I think when we say it, we are hoping that you folks will provide the support that will allow the Planning Department to try and accomplish some of these goals so that we can have these answers and pass good legislation because we are not guessing what is out there. We will have a better idea.

Mr. Abrams: It is really hard to get good information, but I can tell you that I read the transcripts of your meetings as it relates a lot of these things to try and understand where you are coming from.

Councilmember Kagawa: Thank you.

Mr. Abrams: It is really hard. We cannot tell how many B&Bs. We could never tell how many TVRs were out there, if you were going to mix in with the legal ones with the illegal ones. You really just have a hard time getting your hands around it. It is kind of like, I guess Council Chair Rapozo would say, "It is a start," and it is slower than you would like, but basically it is making progress. It may very well be that you will need to do things for a while in order to get that house in order and then look at it once it is gotten to the level that you are comfortable with. It is going to be a little bit longer here in regards to that. I understand that. I also realize that it takes the Planning Department to really focus and I think they are doing a pretty good job. I really have to admire them after seeing all that they had to get in to in regards to trying to sort all of this out. First it was basically the compliance with the ones who had permits and then it was more, okay, what are we going to do with the ones that are outside. They are new to this too. It is difficult as our Director Dahilig had mentioned with due process also, it is very frustrating to a certain extent where you would like to make the call, but you realize that you have to do due process. Some of these things had been going to the process of hiring a Hearing's Officer simply to allow that to get some of these things done a head and that is expensive too. I am still trying to figure out whether or not we are going to get to this and how long it will take, but I do see a couple more years of this.

Councilmember Kagawa: I just want to say that you were the only one that after I gave my approval on the Planning Commission, I feel like the Planning Commission is the most important Commission of all. You were the only one that asked for a personal interview and we spent some time talking, therefore I appreciate that time that you did that. I have a lot of respect for what you are doing. Thank you.

Council Chair Rapozo: Any other questions for Mr. Abrams? If not, thank you very much. While the rules are suspended, is there anyone in the audience wishing to testify? Further discussion?

The meeting was called back to order, and proceeded as follows:

Councilmember Hooser: I will be voting in support and commend Mr. Abrams for the work that he has done in our community for decades. Even though we have worked together on and off and known each other for twenty-five (25) years, I do not really know him well, but I have watched through the Kōloa Community Association and various other roles he has played in the community through many, many issues over the years; hot, cold and everything in between issues. He has always handled himself with professionalism and dignity and I am very pleased to vote in support of his reappointment. Thank you.

Councilmember Yukimura: As Mr. Abrams mentioned I did appoint him to the Planning Commission when I was Mayor and for the reasons that Councilmember Hooser has articulated. He has been a community person from the start and has always been involved in issues in a very professional way, but with always the community at heart. Although more recently people have questioned it, but partly because there are different positions. I appreciated his condor and openness to answering some hard questions, but I felt that that was part of our job no matter what our past relationship has been. I believe he will be a very thoughtful and well-informed decision maker on the Planning Commission.

Councilmember Kaneshiro: I will be saying that I will be voting in support of Mr. Abrams. I had the chance to be around him. His son is one year younger than me and so I have known Mr. Abrams for a long time. As far as Kōloa goes and what he has done for Kōloa and time he has volunteered, you do not find people like that willing to volunteer. Take on the Association like the Kōloa Community Association which has very different opinions and different values and he is able to gather everybody and move the Association in a direction that is positive. I found him to be very passionate, articulate, willing to put in the time to read, and he has a great memory. I remember asking him things about Kōloa and he can go off on almost like memorizing information that I probably could not even remember after he just told me. It is great to have someone like that on the Planning Commission. I think the Planning Commission is maybe as hard as it being on the Council. They are a volunteered position, on camera. I have seen some of their agendas. Their agendas are as big as our Comprehensive Annual Financial Report (CAFR) sometimes. I appreciate the service that he has brought and all that he does.

Councilmember Kagawa: That one issue regarding Ho'ona subdivision, to me is a nonissue. It is kind of like asking the question what happened to Hā'ena and Hanalei. That is what happened to that subdivision. If you are a resident there, you are not pleased with why it happened and what has happened. I believe it is a nonissue. I think Mr. Abrams is not the cause of that situation. From all accounts and from the meetings that I have watched, we are very fortunate to have a person of his character and his knowledge and temperament. I think he brings a lot of good to the Planning Commission and we need that in this critical time. Thank you.

Council Chair Rapozo: I echo those statements. It is always easier going last because everything has been said. I have known Mr. Abrams for quite a while and he has helped me quite a bit with the TVR numbers, visitor industry, and real estate numbers. He has offered his expertise on numerous occasions and I appreciate that. We get E-mails a lot. We get "form-letter" E-mails that say, "Vote no on this," "Vote yes on this," and we did get some E-mails from concerned citizens that did not support the appointments of several individuals. These E-mails came

with no specific allegations, no proof, and it is a one issue, issue. You vote one way and the people get together and they send out these mass E-mails and say, "Please do not support this appointment." The seven (7) of us need to rely on personal knowledge as well as information from the public, but we will not always agree on issues that is evident in this business. I will be supporting the appointment. For that matter, I do not think we will be discussing Mr. Blake's appointment, but the same comments that I just stated for Mr. Abrams apply to that as well. I look forward to getting these appointments done so we can get you folks to work and move this island where it needs to be. I will be supporting the Resolution today.

The motion for adoption of Resolution No 2016-13 was the put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Yukimura, Rapozo	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kuali'i	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Resolution No. 2016-15 – RESOLUTION CONFIRMING COUNCIL REAPPOINTMENT TO THE PUBLIC ACCESS, OPEN SPACE, NATURAL RESOURCES PRESERVATION FUND COMMISSION (*Theodore Kawahinehelelani Blake – Kōloa – Po'ipū – Kalāheo*): Councilmember Kaneshiro moved for adoption of Resolution No. 2016-15, seconded by Councilmember Kagawa.

Council Chair Rapozo: Discussion?

Councilmember Kagawa: Yes. I regret mentioning Ho'ona subdivision, but I felt like I had to, but again I just wanted to announce here to the Council that all is good. The misunderstanding and what have you has been cleared. There is no hard feelings going forward. The members from that community now have expressed support for the two (2) candidates. They are very proud of these two (2) Kōloa boys, they are friends. From my accounts that I have gathered, it is a nonissue and for the same reasons as Mr. Abrams, Mr. Blake has done a lot for the community. The knowledge that he has of the entire island can only help on this Commission. I will be supporting his appointment.

Councilmember Kaneshiro: Without repeating everything I said about Mr. Abrams, Mr. Blake has also done a great job as a volunteer. When you hear Mr. Blake's name you know he is associated with Kōloa because he has been in Kōloa for so long. He has volunteered and done a lot of things. He was working hand in hand with Mr. Abrams on the Kōloa Community Association and they ran it well. I really enjoyed the way they ran it. I will be in support of Mr. Blake. They are willing to put in their volunteered time to do this. It was brought up about the Kōloa Community Plan and the area whether it should be VDA or not and I think it did not end up VDA and that is what the community wanted in that area also. I almost felt that it was a nonissue. Maybe there was some disagreements in the beginning on how that it came and what the zoning designation should be, but in the end the plan ended up where everybody got what they wanted. At that time, Mr. Blake was also on the Kōloa Community Advisory Committee and he was just doing his job and seeing what the community wanted. What the community wanted was what they got in that area. They did not want it to be a VDA and it did not end up being on VDA. For me, it is kind of a nonissue. When we think back about going through the Open Space

Commission, we had some conversations about it before and Mr. Blake was one of the only members, I think Pat may have came out also, to testify about the Open Space Commission. I appreciate his willingness to come up and testify in front of the Council. I will be supporting him.

Councilmember Chock: Up until just a few days ago, I was willing to come forward and support this appointment. It has come to my attention that there is a process in place now for a complaint to be heard at the Ethics Commission. That being said, I think that we may as a body defer the item until that hearing does complete itself. I am going to ask the Council to defer this item to February 24, 2016, at that point we can give our hundred percent (100%) support to this appointment. That is what I would like to share with the Council and we can discuss it further. I will make a motion to defer after discussion.

Council Chair Rapozo: Thank you.

Councilmember Kaneshiro: As far as that goes, I am still comfortable voting for Mr. Blake now, and if the process comes up, he goes to the Board of Ethics and they decide whether he should or should not be on, and if this is really directed to him sitting on Open Space Commission they can then say he should not, I think he will go through the right process and say he cannot be on it, but for me, I am comfortable doing it and letting the process go through. I am do not want to hold it up any longer. I said why I am voting for him now and if that issue comes up, which I have not heard about and it ends up that he does have a conflict then I am sure he will take the appropriate measure.

Councilmember Chock: Just to add, I have no idea what the conflict is or what the submission entails. I would like to hear from our Boards & Commissions Administrator. I am not sure what the formal procedure would be when there is a situation as such, and what we have practiced in the past.

Council Chair Rapozo: We will definitely ask Mr. Furfaro to come up in a little bit.

Councilmember Yukimura: If the matter before the Ethics Commission is whether there is a conflict of interest in a certain circumstance, that is one thing. If it is about an ethical violation or a violation of ethics, to me that is another thing. That is about character. I think it would influence and affect our appointment and maybe that is just my opinion, but it should, if there are some serious ethical violations. If there is a question about whether there is a conflict of interest, again, that is a little different. I do not know the nature of this issue at all. I think it would be safer to wait.

Council Chair Rapozo: Any other discussion?

Councilmember Hooser: I was prepared to vote in support and now, Councilmembers threw a wrench in it, but it is an understandable wrench. I do not know who we consult with if in fact it is known that a complaint has been filed and it is going to be heard, it seems prudent to wait two (2) weeks or whatever time it is scheduled to be heard before we make a decision rather than having to revisit the decision. It just gets more complicated if...depending on whether the Ethics Commission would rule. It seems prudent, as uncomfortable as it might be, to let the process play out and then we have a full and robust discussion and vote. I do not know if there is any urgency on the whole thing, but it seems to me that the prudent

way to move forward, rather than having to possibly backpedal later or dealing with something later. My suggestion would be to support the motion to defer and let the process move forward.

Council Chair Rapozo: What status is Mr. Blake on now? Is he on a holdover status? He is on holdover. How long? Is he approaching the end of the holdover period? There is a ninety (90) day holdover, but I am not sure when he went into holdover status, that is the thing.

There being no objections, the rules were suspended.

Mr. Furfaro: There is a ninety (90) day holdover period of knowing the timing, the interview process, and the possible requests for interviews, Mr. Blake was extended to March 31st.

Council Chair Rapozo: Okay.

Mr. Trask: Under the Charter Section 20.05(F), "All hearings on complaints shall be closed to the public. Only upon findings of violations shall be referred to the council," therefore I would think at this time, similar to what Councilmember Yukimura said, I am not familiar with the alleged complaint, but it should be treated as confidential at this point and discussed. Let Ethics perform its functions and then see what happens thereafter.

Council Chair Rapozo: The hearing itself is confidential and closed to the public, but the fact that a complaint was made and filed; I am assuming it shows up on the agenda.

Mr. Trask: I think it is referred to in Executive Session.

Council Chair Rapozo: Are there names?

Mr. Trask: No names.

Mr. Furfaro: The Ethics Commission's posting has not reached its maturity date yet, and therefore, if a complaint did come up, it would be handled confidentially in Executive Session.

Council Chair Rapozo: So there would be no way of us knowing if a complaint was filed? I swear that my name was on that agenda once. In fact, I am positive that it was on there because people went to testify. The only way they would have known is because...and I am being serious. It was regarding my process-serving contract and I was on the Council, somebody filed a complaint, it was on the agenda, and people went to testify. It was not secret, I can tell you that, because I prevailed. The bottom line is that the public knew that a complaint was filed against Mel Rapozo. I cannot believe that it is all secret and no one knows and if it is then somebody violated my rights years ago.

Mr. Trask: I am just advising caution right now; we can follow-up with you if you have individual questions. I just do not know what it looks like at this point.

Council Chair Rapozo: So there is no way us knowing today if in fact a complaint was filed. Councilmember Chock has some information or someone informed him, but is there no way that this body would know?

Mr. Furfaro: Again, the next Ethics Commission Meeting is not until February 17th and again, requirement for the posting is six (6) days prior to the meeting.

Councilmember Kaneshiro: I have a process question. Say Mr. Blake was not up here to be reappointed and there was a complaint and I do not know what the verdict was, but does it come back to us and then we have to decide whether he stays on or go off. Is the Board of Ethics' ruling and whatever they say happens, so we do not really have any control over what happens once the ruling is done.

Council Chair Rapozo: It goes back to what Councilmember Yukimura said, if it a conflict of interest, they are going to determine whether or not a conflict exists, but if it is an ethical type of behavior then it will come with their ruling. I do not know. It is very hard to discuss this because we do not know what was filed.

Mr. Trask: Generally, it does provide 20.04(E), "The mayor, the council and the board of ethics shall be responsible for the enforcement of provisions of this article." I think if a complaint came in and a violation was filed that had to it some kind of impeachment or something like that, that would be in your purview you would act. If it was an advisory opinion, I do not think you would have anything to do with it. It would depend on the specifics, but there is definitely opportunities where it would come back to the Council.

Councilmember Hooser: As Councilmember Yukimura indicated that there is a wide range of the decision and at the minimum whatever comes out would be information that we would use to make our decision, that is the bottom line, that may or may not prevent somebody from serving on anything, but it would be information that would be prudent to use on our decision-making process. To be clear, the existence of a complaint or hearing, by no means, should cast any doubts on the qualifications of the person, first and foremost. I think it bears waiting to see what happens. Perhaps we can, if necessary, meet in Executive Session to talk further about this. It seems like it would be good information to have as part of our decision-making process.

Councilmember Chock: This is a difficult situation. The only thing that happened on myside was I forwarded, I did not even take a look at because that is not my *kuleana* to make any decision on this and just let the process run itself. Especially for someone that has not only stepped up, already served, but has been a servant in the community for a while and I have much *aloha* for. I think it is about practicing what we preach here when we ask for transparency and efficiency that we follow our protocol. If the protocol is saying, "That is what we do," then we let the process go through and then we can all move from there in a positive direction. That is what my *mana'o* is.

Council Chair Rapozo: It is a difficult situation because number one, I do not know if a complaint actually exist and I do not think we know. I do not think we know a complaint exist at this moment.

Mr. Furfaro:
Commission's rules.

The confidentiality is within the Ethics

Council Chair Rapozo: Right. I think due process wise; Mr. Blake is sitting in the audience here. He has waited already. He made some comments made against him at the last meeting, which were quite disturbing. Some allegations that again we did not investigate, but I guess my point is, absent me knowing that there is a complaint or whether or not the Ethics Commission is going to be doing anything, and it is very difficult for me to accept that we cannot know that. Every lawsuit...I mean I can see the hearings and the investigation, all that things, are private and confidential, but the fact on the matter is that if a complaint is filed, like I said I have lived it so I know, your name shows up. We have had other Councilmembers with complaints from Ethics that showed up...I do not know Councilmember Kaneshiro, was your name on that agenda?

Councilmember Kaneshiro: Mine might have been voluntarily, but...

Council Chair Rapozo: Yours, Councilmember Chock? That is my point...it is very hard for me to sit here and vote no. I can count and if I vote yes, it is going to defer action because three and three will just automatically defer act. I am not going to go through that vote and have another motion; we will just make it happen.

Councilmember Hooser: I believe in the County Attorney and the Boards & Commissions can correct me if I am wrong, but I believe the rules of the Ethics Commission allow for an Executive Session hearing as a preliminary process to see if there is validity to the charge before they make it public. I believe that it is possibly what is being had here. So, it is like preliminary evaluation type process before it is public.

Mr. Furfaro: I concur that Councilmember Hooser's evaluation is in fact the rules.

Council Chair Rapozo: We are going to take the caption break now. I will have Staff call someone from the Ethics Commission, hopefully their Attorney and find out what is correct.

There being no objections, the Council recessed at 3:42 p.m.

The meeting was called back to order at 3:56 p.m., and proceeded as follows:

Council Chair Rapozo: The motion on the floor is to approve and I am expecting a motion to defer from Councilmember Chock, before that, further discussion?

Councilmember Yukimura: I just had some time to think about it and it is very awkward because we do not know exactly what the charges are, but I think it is better to defer because it is a serious charge that is upheld, once we approve there is no recourse in terms of whether...we cannot withdraw confirmation later. On the other hand, Mr. Blake is in place for three (3) months, therefore, it is not like taking him off right now. The Commission will be staffed or full.

Council Chair Rapozo: I just realized that we did not take public testimony and I see someone raising his hand.

There being no objections, the rules were suspended.

JAN TENBRUGGENCATE: I am speaking on my own behalf. I have known Mr. Blake for many years. I think he is an admirable public servant. I must say that I am appalled by this Council. I am very embarrassed by what has happened today. On a basis by an unsupported allegation of an investigation that not has been seen or accepted yet by Ethics or any Commission. To hold up someone who is offering himself for public service, for that kind of ridicule on television is...I cannot believe what I just saw. I would think the appropriate thing to do would be to pass and approve this. This is a good man who has already been serving. If in this County, you want people to come and sit on public volunteered boards and serve, subjecting them to this kind of behavior is, I think, uncalled for. Thank you very much.

Council Chair Rapozo: Anyone else wishing to testify?

The meeting was called back to order, and proceeded as follows:

Councilmember Hooser: Because of the Sunshine Law, all of our discussions are either in Executive Session or out here on the floor and so it does make thing difficult some times to have discussions that are awkward. The discussion was had and I think the discussion was made in a professional manner as possible given the public nature of the setting. I would like to move forward and vote.

Councilmember Kaneshiro: For me, it was kind of like a bombshell that happened, but without any substantive information saying that there is this thing pending, for all intents and purposes, I am ready to vote. Again, the end result is that it is going to get deferred then I will see how it goes, but I am ready to vote on the information that I have today. I do not have any information besides someone saying that there is something going to the Board of Ethics, but I really do not have it in front of me or anything. I do not know if that complaint is going to go through or if someone said they were going to make a complaint. I have not seen anything. For me, when I make my decision, it will be based on what I know today and the information we have at hand. If the end result is that it is going to get deferred anyways, then I will just go with whatever is the fastest way to get this done. I am willing to vote for him.

Councilmember Yukimura: I think our obligation is to hold appointments to the highest standards, and if there is a complaint, we need to allow it to be processed. Once a decision is made, we can be very clear in making our decision. It is difficult to be in the public light. It is not easy. We live in a glasshouse, but it is important to have high standards. I do not think we are making any judgements at this time. We are waiting for the proper information. We are holding off on a decision. If we vote to deny, that would be one thing, but we are just allowing a process to proceed.

Council Chair Rapozo: Anyone else? I guess if you use that rationale then we would have held Mr. Abrams up to the same standard as well because we had allegations and E-mails and there was nothing substantive. I appreciate Councilmember Chock bringing up what he had heard or what he had...basically passed through this body, this Council, which was forwarded on. At this day, at this moment, I do not know if a complaint was filed. I do not know if a complaint will be filled. I do not know that. I think Mr. TenBruggencate made some very accurate statements and it is unfortunate...but yet I appreciate what was done on myside of

the isle that if there is some concern that yes, we should err on the side of caution, but I do not know right now if a complaint was filed. The fact that we are talking about a complaint that may have not been filed is quite detrimental to Mr. Blake. I do not feel good about that and yet I appreciate and understand...I think if I had received that information I would do the exact same thing that Councilmember Chock is doing, but I have not. I am not sure the content and the context of what Councilmember Chock had received, heard, or saw. I would ask that we take the vote on the approval and then if that does not pass, then we will...well, I can count, I think it will be a 3:3 vote, which would automatically defer it anyway. We will not need the motion to defer.

Councilmember Hooser: I would ask that we have a motion to defer. If that is the expected outcome, that is certainly is the vote that I would like to make rather than vote in opposition to an individual because I do not want to vote in opposition. I do not have reason to oppose Mr. Blake. I have every reason to support him, but because of the additional information, I am asking for a deferral. That is the motion I would like to see made.

Council Chair Rapozo: Okay. Councilmember Chock will make that motion once the discussion is done and I am not going to oppose that.

Councilmember Yukimura: I do not know if it makes a difference to refer or to defer, probably not, but the main thing is we are just putting it in a holding position until we get final information. I think Councilmember Hooser's point is correct.

Council Chair Rapozo: The problem is that we will not know about the information because everything is confidential. I think that is where I am troubled because can you imagine if the next appointee comes up for another Commission and I am a member of the public and say, "Councilmember Kagawa, I am filing a complaint against John Doe that is coming up next week," and Councilmember Kagawa comes up here and say, "There might be a complaint filed at Ethics," but we will not know. We will not know if the complaint was filed, right, because that is the process. It goes through Ethics, like you said Councilmember Hooser, you are absolutely correct. Ethics will look at it and make a determination whether or not it is valid, but we do not know and there is no way of us knowing. Unless Mr. Blake goes down there and says, "If there is a complaint against me, I waive my privacy," but how would you know because it is all confidential. I think I am with Councilmember Kaneshiro – I will deal with the information that I have today. I do not know if the complaint will ever be filed or acted on. The next Ethics Commission Meeting was February 17th. If we defer this, it will come up in February.

Councilmember Yukimura: I think we can assume it has been filed because it has been passed on to the Ethics Commission.

Council Chair Rapozo: I do not know.

Councilmember Yukimura: I believe...okay...and then if there is complete clearance than we will know that. Mr. Blake can bring it forward.

Council Chair Rapozo: Anyone else?

There being no objections, the rules were suspended.

Mr. Furfaro: This is a personal plea as the Manager of the Department. I think in the future it would be best if the item was referred to Executive Session. What I quoted to you today is the next time they meet, the six (6) day posting requirement, there is an evaluation of any complaint, and therefore by our rules are kept confidential. I just want to make sure that with the six (6) days you understand that there is nothing on the formal agenda at this time.

Council Chair Rapozo: Thank you.

The meeting was called back to order, and proceeded as follows:

Councilmember Chock: I would like to hear what the options are in terms. Is there an option to refer to Executive Session after...

Council Chair Rapozo: No. Number one we could obviously approve it and number two, we could obviously defer it to another date specific that we select, we could defer it until we get...if we ever get...the thing is that his ninety (90) day window will expire in March. The option is to defer it for one more Council Meeting, we can defer it to a date specific agenda, or we could request an Executive Session. I do not know who we would be in the Executive Session with though because everything is top secret. Nobody is going to be able to come up and tell us anything anyway. Unfortunately nothing in the discussion we had today meets the exemptions of the Sunshine Law and that is the bad part. Those are the options.

Councilmember Hooser: Again, the Boards & Commissions could not address this more adequately, certain than I can, but I would imagine that after any hearing happens in Executive Session before the Ethics Commission, it is either resolved and found to be no substance or move to some public form. Then we would know if there is a public form we would know that the initial merit to the complaint. If it does not move, then you can ask the appointee, "Are there any unresolved issues that you have before the Ethics Commission?" You could ask him that in Executive Session or open session, but if there is merit to it, I believe ultimately it is a public discussion.

Councilmember Yukimura: I am not sure it is a public discussion...I do not know. I am not real sure. I can say that in the past Councils that I have been on, we have had Executive Sessions on appointees of the Mayor. That has been very legitimate subject of an Executive Session, as I recall.

Council Chair Rapozo: Okay, well, I think enough has been discussed. I will entertain a motion to defer.

Councilmember Chock moved to defer Resolution No. 2016-15 to February 24, 2016 Council Meeting, seconded by Councilmember Yukimura, and failed by a vote of:

FOR DEFERRAL:	Chock, Hooser, Yukimura	TOTAL – 3,
AGAINST DEFERRAL:	Kagawa, Kaneshiro, Rapozo	TOTAL – 3,
EXCUSED & NOT VOTING:	Kuali'i	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Chair Rapozo: We are back to the main motion. Further discussion? The motion is to approve.

The motion for adoption of Resolution No. 2016-15 was then put, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Kaneshiro, Yukimura, Rapozo	TOTAL – 6*,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kuali'i	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*Pursuant to Rule No. 5(b) of the Rules of the Council of County of Kaua'i, Councilmembers Chock, Hooser, and Yukimura were noted as silent, but shall be recorded as an affirmative for the motion.

Council Chair Rapozo: Motion carried. Next item.

Resolution No. 2016-18 – RESOLUTION CONFIRMING MAYORAL REAPPOINTMENT TO THE BOARD OF WATER SUPPLY (*Wallace G. Rezentes, Jr.*): Councilmember Kagawa moved for adoption of Resolution No. 2016-18, seconded by Councilmember Kaneshiro.

There being no objections, the rules were suspended to take public testimony.

There being no one to provide testimony, the meeting was called back to order and proceeded as follows:

Council Chair Rapozo: Roll call.

The motion for adoption of Resolution No. 2016-18 was then put, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Kaneshiro, Yukimura, Rapozo	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kuali'i	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Chair Rapozo: Next item.

(Council Chair Rapozo, the presiding officer, relinquished Chairmanship to Councilmember Kagawa.)

BILL FOR FIRST READING:

Proposed Draft Bill (No. 2615) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, ARTICLE 11A, KAUAI COUNTY CODE 1987, AS AMENDED, BY ADDING A NEW SECTION 5A-11A.3, RELATING TO AN ASSESSMENT CAP: Councilmember Kaneshiro moved for passage of Proposed Draft Bill (No. 2615) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for February 17, 2016 at 8:30 a.m., and referred to the February 17, 2016 Budget & Finance Committee, seconded by Councilmember Yukimura.

Councilmember Kagawa: Any discussion?

There being no objections, the rules were suspended to take public testimony.

There being no one to provide testimony, the meeting was called back to order and proceeded as follows:

The motion for of Proposed Draft Bill (No. 2615) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for February 17, 2016 at 8:30 a.m., and referred to the February 17, 2016 Budget & Finance Committee was then put, and carried by the following vote:

FOR PASSAGE:	Chock, Hooser, Kagawa, Kaneshiro, Yukimura, Rapozo	TOTAL – 6,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kuali'i	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Councilmember Kagawa: Next item, please.

EXECUTIVE SESSION:

ES-829 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Section 3.07(E) of the Kaua'i County Charter, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing on Eric Y. Shibuya vs. County of Kaua'i, et al., Civil No. 13-1-0345 (Fifth Circuit Court), and related matters. The briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-832 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(e), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing, discussion and consultation regarding the Quarterly Report on Pending and Denied Claims. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

(Councilmember Kagawa returned Chairmanship duties to Council Chair Rapozo.)

Councilmember Kagawa moved to convene in Executive Session for ES-829 and ES-832, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Discussion? Public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Seeing none, roll call.

The motion to convene in Executive Session for ES-829 and ES-832 was then put, and carried by the following vote:

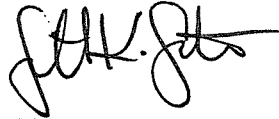
FOR EXECUTIVE SESSION:	Chock, Hooser, Kagawa, Kaneshiro, Yukimura, Rapozo	TOTAL – 6,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kuali'i	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Chair Rapozo: With that, we will reconvene in Executive Session in five (5) minutes.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 4:15 p.m.

Respectfully submitted,



SCOTT K. SATO
Deputy County Clerk

:dmc